

There can be no question that the task facing us will be difficult. The current efforts within the OECD, however, to address the problem of structural adjustment demonstrates that we are all conscious that the challenge must be met. The initiatives we have agreed upon to examine adjustment in a trade context and in country reviews within the Organization are an important start in dealing with the problem. The OECD is uniquely placed to carry on this work. As the Secretary General has pointed out, what we must aim for is an intensified implementation of market-conforming positive adjustment policies. While the temptation to resort to protectionist actions is strong at a time of recession, opportunities for us to work together in reducing structural rigidities should improve as the recovery takes hold. As measures to deal with existing rigidities are gradually implemented over the near term, this will help to entrench the gains made against inflation and improve the prospects for economic growth.

For most developing countries, there are still major concerns about the availability of external financing. In the case of the heavily indebted countries, apart from concerns over rising interest rates, there is the additional problem that a bunching of debt-service payments will emerge as previously rescheduled obligations fall due. Indeed, the outlook is for the debt-servicing load of the major borrowing countries to rise sharply, with amortization payments reaching unduly onerous levels in relation to export earnings for several years beyond 1985. I believe we should begin now to prepare for these constraints and not permit these foreseeable developments to precipitate a new crisis. This means, at a minimum, ensuring adequate export opportunities for the countries involved, pursuing policies in our own countries which will allow interest rates to fall,