

participants in a number of cooperative enterprises in the region. For example, Combustion Engineering is participating with Marubeni in a major power project in Thailand, Alcan has entered into reciprocal investment arrangements with Nippon Light Metal, and Canada Wire and Cable and Tolley Industries are jointly manufacturing cables, transformers and switching gear in New Zealand. This cooperation is an enlightened way of managing our interdependence.

Interdependence is a vehicle of social change and economic development. Some of the most dramatic shifts in economic structures are taking place in the Pacific region. Japan is moving boldly towards the future, into the era of the knowledge intensive industries such as robotics, computers, new industrial materials, biotechnology and space science. The developing countries are making major strides forward, into new investments in the steel, shipbuilding, automotive and consumer electronics industries.

All of us face the realities of international competition in our own markets. In this regard, all governments must bear in mind that when we protect uncompetitive industries or try to give an artificial edge to our own firms, we damage the international trade and payments systems on which we all depend.

We also undermine our own competitiveness. Governments cannot therefore be merely reactive. We must ensure that our economies are prepared for change, and we must adopt policies designed to facilitate, rather than obstruct, the adjustment process. Governments must also cooperate internationally to facilitate economic adjustment and development and trade liberalization.

Further trade liberalization and multilateral cooperation formed an important part of the agenda of last week's OECD Ministerial meeting in Paris, which I attended. We addressed the continued need to resist protectionism and to strengthen the multilateral trading system. We agreed on a programme of work which will help us achieve these objectives.

There was a general recognition at the meeting of the importance of moving ahead vigorously with the GATT work programme, agreed to by Ministers in 1982. We have also given our work a new boost, by emphasizing the important role that a new round of multilateral trade