

I mention such iron laws of politics intentionally. They are central to the theme of global instability. While some instability may be the inevitable result of fast-paced technological change, a great deal of today's disequilibrium is surely not preordained. Rather, we are all living with the consequences of conscious political action and inaction -- a modern day version of the human foibles noted centuries ago by Thomas Hobbes, when he observed "Men heap together the mistakes of their lives and create a monster they call destiny."

That is why I would suggest that the key question facing us is this: Will the world's political leaders act to manage global change, and correct today's imbalances, or will they be so constrained by domestic politics as to let change manage us, through a dramatic correction in global financial markets? (Because) it is this political choice which will determine whether change in the 1990's means opportunity or danger in the global economy.

In Canada, my colleagues and I have chosen the former route. Hence, our decision to tackle a number of politically controversial issues, including:

- a Canada-U.S. Free Trade Agreement;
- a concerted attempt to reduce our annual budgetary deficit, through both program cuts and tax increases; and
- a visible, consumption tax to replace our antiquated, hidden manufacturer's sales tax.

In each case, we have decided to challenge conventional political wisdom and rush in where our predecessors feared to tread -- implementing policies which have been described as courageous -- a word which sends chills up the spines of most politicians.

Now I don't want to claim that we are superior beings to those who have come before.

There is a very pragmatic reason for the course of action we have chosen.

Any unpopularity caused by these ounces of prevention would pale beside the public reaction to the pounds of cure which would be required in the absence of action.