

MR. CHAIRMAN, AS WE MEET TODAY WE CAN TAKE SATISFACTION FROM A SEVENTH CONSECUTIVE YEAR OF ECONOMIC EXPANSION FEATURING STRONG GROWTH IN INVESTMENT, INTERNATIONAL TRADE AND GROSS DOMESTIC PRODUCT. HOWEVER, THIS FAVOURABLE ECONOMIC CLIMATE IS NOT WITHOUT THREATENING CLOUDS ON THE HORIZON, AND I SHOULD LIKE TO SHARE SOME THOUGHTS WITH YOU AS TO CERTAIN ISSUES AND CHALLENGES WHICH WILL REQUIRE OUR CONCERTED ATTENTION AND LEADERSHIP IF WE ARE TO CONSOLIDATE AND BUILD UPON THE ECONOMIC GAINS OF THE RECENT PAST.

FIRST WE MUST REMAIN VIGILANT TO THE DANGERS OF INFLATION AND CONTINUE TO CONTROL IT IN A MANNER WHICH WILL ENABLE US TO SUSTAIN ECONOMIC GROWTH. ANOTHER MAJOR CHALLENGE IS THE ENORMOUS GLOBAL IMBALANCES THAT HAVE PERSISTED IN RECENT YEARS. OECD COUNTRIES WILL HAVE TO FOLLOW THROUGH ON THEIR POLICY COMMITMENTS AND EFFECT THE NECESSARY ECONOMIC ADJUSTMENTS IF WE ARE TO DEAL FORCEFULLY WITH THE PROBLEMS ASSOCIATED WITH THESE IMBALANCES. LEADERSHIP BY OECD COUNTRIES IN DEALING WITH THESE MACROECONOMIC PROBLEMS WILL SERVE AS AN EXAMPLE TO OTHERS IN ADDRESSING THE ISSUES WHICH AFFECT THE GLOBAL TRADING SYSTEM. BUT BY LEADERSHIP I REFER TO ACTIONS FOCUSED ON DOING WHAT HAS TO BE DONE, NOT ON WHAT IS EASY AND POPULAR.