

CLEARLY, THAT IS NOT THE IDEA OF 1992; THE IDEA IS AN ALTERNATIVE TO PROTECTIONISM, WHICH IS SEEN AS SOMETHING THAT WAS TRIED AND WHICH FAILED IN TERMS OF COMPETITIVENESS. THAT SAID, WHAT IS IN TRAIN IS A BROAD EXERCISE IN RESTRUCTURING, WHICH (TOGETHER WITH "WINNERS") WILL PRODUCE INDIVIDUAL, SECTORAL AND REGIONAL "LOSERS". THE "LOSERS" WILL GENERATE PROTECTIONIST PRESSURES, BUT SIGNS ARE THAT THESE WILL BE RESISTED BY THE COMMUNITY AT LARGE.

CLEARLY ALSO, THE EC WILL NEGOTIATE SKILLFULLY IN THE MTN, SEEKING TO USE SOME OF THE 1992 BENEFITS TO OUTSIDERS AS BARGAINING COINAGE.

HOW IT WILL PLAY OUT IN THE END WILL BE INFLUENCED BY A NUMBER OF IMPONDERABLES; SUCH AS: WILL THE URUGUAY ROUND FAIL? WILL WE HAVE A DEEP RECESSION? WILL THE G-7 FINANCE MINISTERS LOSE CONTROL OF EXCHANGE RATES AND OF BUDGETARY AND TRADE DEFICITS?

MY ONLY ANSWER TO THE QUESTION "WILL IT BE FORTRESS EUROPE?" IS THIS: IT IS NOT INTENDED TO, AND WITH ANY LUCK AT ALL, NO. BUT THE PUDDING IS NOT YET COOKED!

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