

COURSE, THE TIMING, NATURE AND SIZE OF THE SHIFT OBVIOUSLY DO. IN TERMS OF THE FUTURE OF THE WORLD TRADING SYSTEM WHAT MUST BE KEPT IN MIND IN THE APPROACH TO RESTORING A MORE SUSTAINABLE PATTERN OF CURRENCY ACCOUNT POSITIONS IS THAT THE PRIMARY THREAT OF PROTECTIONIST PRESSURE WILL INEVITABLY SHIFT FROM THE UNITED STATES TO THE DEFICIT COUNTRIES OF THE 1990's.

SO MUCH FOR THE ECONOMIC LANDSCAPE. IN POLITICAL TERMS, THE BACKDROP TO PUNTA WAS PERHAPS EVEN LESS AUSPICIOUS. THE PROTECTIONIST FURY OF THE U.S. CONGRESS, DANGEROUS IN ITSELF, HAD EXPOSED A MORE FUNDAMENTAL PROBLEM -- THE RAPIDLY ERODING DOMESTIC SUPPORT FOR MULTILATERALISM IN THE UNITED STATES. IN THE ABSENCE OF U.S. LEADERSHIP, NO ALTERNATIVE GUARDIAN OF THE SYSTEM IS WAITING IN THE WINGS. INDEED, AS I HAVE NOTED, LOOKING TO THE NOT-SO-DISTANT FUTURE WHEN THE PROTECTIONIST PRESSURE EMANATING FROM CURRENT ACCOUNT IMBALANCES SHIFTS FROM THE U.S. TO HER MAJOR TRADING PARTNERS, IS THE REMARKABLE RESISTANCE SHOWN THUS FAR BY THE U.S. ADMINISTRATION TO MORE SWEEPING PROTECTIONIST MOVES LIKELY TO BE DUPLICATED BY COUNTRIES WITH A MORE AMBIVALENT (LESS "IDEOLOGICAL") COMMITMENT TO AN OPEN TRADING SYSTEM?