

The U.S. decision to pull back at the last minute from the financial services negotiations in the new World Trade Organization may have won support from those who believe that other countries had not opened their market sufficiently; but it raises even larger questions about the continued commitment of the United States to the principle of multilateralism.

Finally, while the U.S. has taken the lead in calling for a free trade agreement of the Americas, it remains uncertain whether Congress will grant the Administration new fast-track authority to make this vision a reality.

We all agree that our first priority is to build a strong and effective multilateral trading system, but we are not there yet. What is required is much more than rhetoric about the virtues of freer trade. We need the commitment of governments to renounce measures that are inconsistent with trade rules. We need a commitment to rely on dispute settlement procedures – rather than retaliation – when negotiated solutions prove impossible. Most important, we need to marshal the political will to move the agenda forward, to tackle the new issues, to deepen and strengthen the overall system.

Serious market barriers and discriminatory restrictions continue to exist – and this is not limited to certain countries. Growing trade friction is not a sign that we have taken liberalization and integration too far, but rather that we have not gone far enough. The status quo is unacceptable – it is also unsustainable. I ask myself why these issues were not addressed in the Uruguay Round. The answer may be that the Uruguay Round addressed 1982 issues and that we now need to tackle 1995 issues through negotiation.

The alternative is a stark one: will major disputes between significant trading partners be conducted as "the moral equivalent of war"? Or will we continue to build a multilateral system which takes as its underlying premise that we are fundamentally interdependent, that freer trade ultimately benefits us all?

The new World Trade Organization is still a fragile organization; like a child at infancy, it is just learning to crawl. And yet, evidence that it will soon be walking and running can be found in the countries that are clamouring to join.

The next great chapter in the history of the world trading system may well be written by those countries now seeking to join. Countries not now part of the world trading system, such as Russia and China, recognize the disadvantages of being outside the club.