I should first like to congratulate you, Mr. Chairman. Not only have you served an excellent year as a dynamic Chairman of the CONTRACTING PARTIES, but, in the context of this important meeting, you have set a tone of reality and optimism in your opening statement that we should all hear and emulate. I know that I have.

This CONTRACTING PARTIES' session is more than a passing event. It marks the forty-fourth time that those countries that are committed to a liberal trading system through a sharing of rights and obligations have met. Although we contracting parties meet formally only once a year, the monthly Council sessions give us opportunity to compare our perceptions of that process.

The trading system does not change much from one CONTRACTING PARTIES session to another; when it does, it does so almost imperceptibly. You were quite right in cataloguing the improvements over the last year. From the perspective of the United States, this has been a good year for the world-trading system and for the GATT. And this is measurable! Let me be specific. The volume of world merchandise trade expanded by an estimated 5 per cent in 1987. And according to GATT secretariat statistics, we expect a similar performance in 1988. After five years of growth, world trade has expanded to a record level - one quarter above that at the time of the 1982 recession. There is even more. One of the most important events has been the renewed commitment by the United States to multilateralism as embodied in the recent United States Omnibus Trade and Competitiveness Act. Yes, that Act is a commitment to multilateralism, and I emphasize that here to make sure that no contracting party misreads our intentions.

The forces of protectionism were defeated in our country, even in the face of a $170 billion annual trade deficit. We are proud that our system remains committed to multilateralism in the face of this enormous deficit. But it is important that all countries have a similar commitment. The Uruguay Round is a test for us all - a test of the commitment to open markets through progressive liberalization.

Let us take a look at a few of the bilateral trade deficits we had with contracting parties last year: Japan - a $60.2 billion trade deficit;
Brazil - a $4.4 billion trade deficit; Korea - a $9.9 billion trade
deficit; and the European Communities - a $25.1 billion trade deficit.

In the last year my country has worked closely with other major
economic powers in the world to improve the macroeconomic climate within
which the trading system must operate. Some voices spoke critically of a
world of a few years ago, without recognizing the changes that have taken
place. There has been an improved co-ordination of economic policies.
There has been greater recognition of the link among financial, monetary
and trade policies.

In addition to global co-ordination, the United States has made
bilateral efforts to address the problems of debtor countries. For
example, the United States recently demonstrated its resolve to alleviate
Mexico's balance-of-payments difficulties through a $3.5 billion bridging
loan.

Ultimately, however, contracting parties here are limited to resolving
certain problems of international trade. The GATT is a trade agreement;
it is not the International Monetary Fund and it is not the World Bank.

Let me say a few words now about the Uruguay Round. The United States
has been in the forefront of those who believed that such a Round was
necessary. We felt that the GATT system needed strengthening and
improving. The system needed to fulfil better its previous commitments to
trade liberalization, and to do more in order to reflect better the
realities of the trading system of today and tomorrow. Only after such
changes would a multilateral system be credible and effective.

Although this should not have been the place to review the progress in
the Uruguay Round, as several other delegations have already done so, I
will present my perceptions.

This Round has made impressive progress in the past two years. The
progress has occurred in both old and new areas; it has occurred in both
institutional and substantive matters. But there is still much work to be
done - over the next few weeks in Geneva, in December at Montreal, and
during the next two years, until the Round ends in 1990. And yes, the
Round must end in 1990. One important reason -- the European Community's
representative has said -- is that the Community will abide by those
commitments it has. It is important to all contracting parties to see to
it that by 1993 the Community has more commitments so that it can perform
more effectively a part of the multilateral system and not allow itself to
fall behind fortress frontiers. This work will require a balance of give
and take among all contracting parties. Above all, it will require
political commitment to genuine trade liberalization.

Some contracting parties may have misled you by improperly giving the
impression that the United States has only sought progress in the so-called
new areas. That is wrong. Our search for better disciplines in
agriculture, subsidies and safeguards, for example, is genuine.
Some contracting parties preached an old theology of "special and
differential" treatment. Experience has shown - as pointed out by several
delegations - that trade liberalization promotes, rather than hinders,
economic growth and development. Trade liberalization is in fact sound
economic policy for countries at all levels of development. Why then
should we be encouraging exemptions from GATT obligations? Indeed, I
believe that all contracting parties should work towards increasing
participation in the trading system. And that means that the Uruguay Round
should address Brazil's law of similars, the Community's Common
Agricultural Policy, the need by some countries to hide behind deflated
currencies and the continuation of special exemptions because of
balance-of-payments problems.

My country finds it unacceptable that so many contracting parties seem
to believe that even the simple binding of tariffs is more of a discipline
than their systems can bear. Could such a belief be a positive force in
the GATT system?

Mr. Chairman and fellow contracting parties, let us not allow
finger-pointing to dominate our thinking. Remember, we are all sinners in
international trade, we all have rocks in our hands. Let us not keep
throwing them at one another. We know that improvement will require
political will at home and in Montreal. We are all facing this together.
Let us work together to make sure the trading system continues to improve
and that Montreal is a success.