

A Doha Round Observation from Charles Blum

Editor's Note: The message below was sent to GBD as a response to the TTALK Quote for August 4. It can, however, stand on its own as a comment on the Doha Round

August 4, 2008

Dear GBD:

Your TTalk quotes are always interesting. Thanks for this great service.

As a broken-down former negotiator, I told those who would listen — including a number of America's trading partners — years ago that Doha could not be finished successfully until the US had a new president. It takes a lot of political capital to get a round finished and through the Congress. Carter did it for Nixon/Ford, and Clinton did it for Reagan/Bush I. This president squandered his briefly enormous political capital, unfortunately, and so had small chance of being the exception to this historical pattern.

In addition, there is not a lot of real value to the American economy writ large in this odd package. That's been a problem from the beginning and explains a lot, including in my view Zoellick's enthusiasm for "competitive liberalization."

Finally, it is far easier to start than to finish multilateral trade negotiations when the US economy is in difficulty. With proper attention to the fundamental weaknesses of the economy, further reduction of the current account deficit, and some rebound in the dollar, the prospects for even a modestly helpful Doha package would improve substantially. On that basis, I think Terry might be an optimist. 2011 could be more realistic.*

Charles Blum
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**Mr. Stewart had written that he did not believe there would be a conclusion to the Doha Round in 2008 and that event 2009 was unlikely.*