Comments on

“Does Bilateralism Promote Trade?”

by Flandreau and Accominotti

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A Fine Paper!

- Liked it when I made comments on first draft
- Well motivated.
  - Question is interesting for historical reasons
  - Also of current policy interest
- New interesting, relevant data set
  - Bravo to authors for work!
  - Bravo to Banque de France for funding!
- Competent (but standard) techniques
Interesting Results

• Key: Bilateral treaties with MFN don’t matter much
Change the Title!

• Paper could be even more ambitious and clearer if focus is on *MFN clause*, not *bilateralism*
  
  o Many think my negative results on GATT/WTO are because I don’t control for MFN
    
    • Hard to measure MFN for most countries over time
    
    • But done here!
Some Minor Issues

- Fundamental: Negative Results are hard to sell since they simply reveal ignorance
  - Here unimportant, since authors overturn myth
  - Still, would be happier if gravity model worked better
    - Coefficients small compared to contemporary
      - .4 for income/distance here; 1 the norm
    - Fit worse than modern estimates
      - .4 here; .7 the norm
• Continental trade didn’t stop growing in the 1850s; growth rate stayed reasonable (just didn’t remain high or rise), contra p 6, 7, 10

• Measures of openness and protection may be misleading since unweighted by country importance

• Economists should never call liberalization “concessions”
Still All Very Reasonable!

- Easy to see trends emerging before 1860
- All results seem plausible as well as interesting
- The sensitivity analysis is reassuring
- Figures quite persuasive; bolstered by statistics
  - UK protection quite striking
Extension #1: Rationalize (for History of Thought)

- Why do so many economists think MFN and Cobden-Chevalier treaty important if it isn’t?
  - Same problem I have with relevance of GATT/WTO
Extension #2: Compare Institutions Directly

- Pool across 19\textsuperscript{th} and 20\textsuperscript{th} century data sets
- Standard gravity controls
- Compare Three Trade Promoting with horse-race:
  1. GATT/WTO (Multilateral with MFN)
  2. Recent RTAs (Bilateral without MFN)
  3. Older Bilaterals (Bilateral with MFN)
Still, these are all quibbles!

A Good Piece of Research that’s produced a good result, an interesting mystery, and a new data set.

What More Can One Hope For?