

Web Appendix for
COMMERCIAL IMPERIALISM? POLITICAL INFLUENCE AND
TRADE DURING THE COLD WAR

DANIEL BERGER

University of Essex

WILLIAM EASTERLY

New York University, NBER

NATHAN NUNN

Harvard University, NBER, BREAD

SHANKER SATYANATH

New York University

(NOT FOR PUBLICATION)

May 2012

1. Introduction

This appendix accompanies “Commercial Imperialism? Political Influence and International Trade During the Cold War” by Daniel Berger, William Easterly, Nathan Nunn and Shanker Satyanath. Section 2 provides further details of the data used in the paper, as well as their sources. Section 3 reports additional tables and figures mentioned in the paper, but not reported explicitly.

2. Data and Their Sources

Data on trade flows are taken from two different sources. When we examine the total value of annual bilateral trade across all industries, we use trade data from the Correlates of War Trade Dataset (Katherine Barbieri, Omar M.G. Keshk and Brian M. Pollins, 2008), which reports aggregate bilateral trade flows (measured in millions of nominal US dollars) annually between 1870 and 2006. For the post WWII period, the data are originally from the International Monetary Fund’s *Direction of Trade Statistics*. Exploiting the fact that all transactions are potentially recorded by both the importing and exporting countries, Barbieri, Keshk and Pollins impute missing flows by using the importer’s statistics if data from the exporter’s accounts are missing. Full details are provided in Barbieri, Keshk and Pollins (2008) and Katherine Barbieri, Omar M.G. Keshk and Brian M. Pollins (2009). In particular see table 1 of Barbieri, Keshk and Pollins (2009).

When we examine trade flows at the industry level, we use data from Robert C. Feenstra, Robert E. Lipsey, Haiyan Deng and Alyson C. Ma’s (2004) World Trade Flows, 1962–2000 database, which reports bilateral trade flows at the SITC revision 2 industry-level. The data are originally from the United Nations’ Comtrade Database. Unlike the aggregate COW trade data, the industry-level Comtrade data only begin in 1962. Therefore, our industry-level sample only includes 1962 to 1989.

Data on real per capita income and aggregate GDP are from Angus Maddison (2003). The figures are originally given in 1990 International Geary-Khamis dollars. Since the analysis requires the use of aggregate GDP figures in nominal U.S. dollars (to match the trade data), we convert the real figures to nominal U.S. dollars using the Consumer Price Index from the U.S. Bureau of Labor Statistics. Note that in 1990, one Geary-Khamis dollar is equal to one U.S. dollar.

The controls for leadership turnover and leadership tenure are from Bruce Bueno de Mesquita,

Alastair Smith, Randolph M. Siverson and James D. Morrow (2004). Our democracy-autocracy indicator variable is taken from José Antonio Cheibub, Jennifer Gandhi and James Raymond Vreeland (2010). Data on whether countries were GATT participants are from Michael Tomz, Judith L. Goldstein and Douglas Rivers (2007). Information on countries' first official language and regional trade agreements is taken from Keith Head, Thierry Mayer and John Ries (2010).

Data used to construct the indicator for the existence of a sanction against US exports to a foreign country are from Gary Clyde Hufbauer, Jeffrey J. Schott, Kimberly Ann Elliott and Barbara Oegg (2009). The indicators for the threat of force, display of force or use of force in disputes with the US are from Zeev Maoz (2005). Measures of countries' real exchange rate, inflation, and the government's share of GDP are from the Penn World Tables 6.3.

Information on country voting patterns in the UN General Assembly are from Erik Gartzke (2006).

Data on the value of economic aid, military aid, food aid, and Export-Import Bank loans from the U.S. are taken from the USAID's *U.S. Overseas Loans and Grants, Obligations and Loan Authorizations* annual report, also known simply as the "Green Book". See USAID (2006) for further details.

Our sample includes all countries except the former Soviet Union and the United States. Countries that split or merge between 1947 and 1989 require special consideration. We have chosen to consider the newly split or merged countries as separate entities from their constituent parts. For example, in 1971 Bangladesh seceded from Pakistan. We treat Pakistan prior to 1970 as a separate country to Pakistan after 1970, which no longer included land that became Bangladesh. We call Pakistan up until 1970 Unified Pakistan and assign it the iso code BGD_PAK in our data set. In 1970, Unified Pakistan is no longer in our data set, and two new countries, Bangladesh (BGD) and Pakistan (PAK) emerge.

In total, there are four instances like this in our data set: (1) East and West Germany, (2) North and South Vietnam, (3) Pakistan and Bangladesh, and (4) Northern and Southern Yemen. For each, we summarize in table A1 our precise definition of the countries and their codings. For each, we following the same logic as outline in the example of Pakistan and Bangladesh. The iso codes reported in the table correspond to the iso codes in our dataset.

The construction of the panel of CIA and KGB interventions across countries between 1947

Table A1: Country iso codes for the partitioned countries in the sample.

Year	Germany			Vietnam			Bangladesh & Pakistan			Yemen		
	West Germany	East Germany	United Germany	North Vietnam	South Vietnam	Unified Vietnam	Unified	Bangladesh	Pakistan	South Yemen	North Yemen	Unified Yemen
1945			DEU									
1946			DEU									
1947			DEU				BGD_PAK					
1948			DEU				BGD_PAK					
1949	DFR	DDR					BGD_PAK					
1950	DFR	DDR					BGD_PAK					
1951	DFR	DDR					BGD_PAK					
1952	DFR	DDR					BGD_PAK					
1953	DFR	DDR					BGD_PAK					
1954	DFR	DDR		VDR	VTN		BGD_PAK					
1955	DFR	DDR		VDR	VTN		BGD_PAK					
1956	DFR	DDR		VDR	VTN		BGD_PAK					
1957	DFR	DDR		VDR	VTN		BGD_PAK					
1958	DFR	DDR		VDR	VTN		BGD_PAK					
1959	DFR	DDR		VDR	VTN		BGD_PAK					
1960	DFR	DDR		VDR	VTN		BGD_PAK					
1961	DFR	DDR		VDR	VTN		BGD_PAK					
1962	DFR	DDR		VDR	VTN		BGD_PAK				YAR	
1963	DFR	DDR		VDR	VTN		BGD_PAK				YAR	
1964	DFR	DDR		VDR	VTN		BGD_PAK				YAR	
1965	DFR	DDR		VDR	VTN		BGD_PAK				YAR	
1966	DFR	DDR		VDR	VTN		BGD_PAK				YAR	
1967	DFR	DDR		VDR	VTN		BGD_PAK			YMD	YAR	
1968	DFR	DDR		VDR	VTN		BGD_PAK			YMD	YAR	
1969	DFR	DDR		VDR	VTN		BGD_PAK			YMD	YAR	
1970	DFR	DDR		VDR	VTN		BGD_PAK			YMD	YAR	
1971	DFR	DDR		VDR	VTN			BGD	PAK	YMD	YAR	
1972	DFR	DDR		VDR	VTN			BGD	PAK	YMD	YAR	
1973	DFR	DDR		VDR	VTN			BGD	PAK	YMD	YAR	
1974	DFR	DDR		VDR	VTN			BGD	PAK	YMD	YAR	
1975	DFR	DDR		VDR	VTN			BGD	PAK	YMD	YAR	
1976	DFR	DDR				VNM		BGD	PAK	YMD	YAR	
1977	DFR	DDR				VNM		BGD	PAK	YMD	YAR	
1978	DFR	DDR				VNM		BGD	PAK	YMD	YAR	
1979	DFR	DDR				VNM		BGD	PAK	YMD	YAR	
1980	DFR	DDR				VNM		BGD	PAK	YMD	YAR	
1981	DFR	DDR				VNM		BGD	PAK	YMD	YAR	
1982	DFR	DDR				VNM		BGD	PAK	YMD	YAR	
1983	DFR	DDR				VNM		BGD	PAK	YMD	YAR	
1984	DFR	DDR				VNM		BGD	PAK	YMD	YAR	
1985	DFR	DDR				VNM		BGD	PAK	YMD	YAR	
1986	DFR	DDR				VNM		BGD	PAK	YMD	YAR	
1987	DFR	DDR				VNM		BGD	PAK	YMD	YAR	
1988	DFR	DDR				VNM		BGD	PAK	YMD	YAR	
1989	DFR	DDR				VNM		BGD	PAK	YMD	YAR	
1990			DEU			VNM		BGD	PAK			YEM
1991			DEU			VNM		BGD	PAK			YEM
1992			DEU			VNM		BGD	PAK			YEM
1993			DEU			VNM		BGD	PAK			YEM
1994			DEU			VNM		BGD	PAK			YEM
1995			DEU			VNM		BGD	PAK			YEM
1996			DEU			VNM		BGD	PAK			YEM
1997			DEU			VNM		BGD	PAK			YEM
1998			DEU			VNM		BGD	PAK			YEM
1999			DEU			VNM		BGD	PAK			YEM
2000			DEU			VNM		BGD	PAK			YEM

and 1989 is documented in separate documentation files that accompany the dataset. The full dataset and complete documentation is provided in a zipped file available on the authors web pages. In addition to a Stata version of the dataset, the zip file also includes a an excel spreadsheet that reports the origin of the information for each observation with a CIA or KGB intervention (see `Intervention_Table.xls`) and a pdf file that reports the full reference of the sources cited (`Intervention_References.pdf`). We also provide a general description of each CIA intervention episode in the dataset (`Summary_of_Interventions.pdf`).

3. Additional Tables and Figures

Details of the Coding of Interventions in Chile

The relationship between the history of CIA involvement in Chile and the coding of our variable $US\ influence_{t,c}$ is summarized in table A2. During the 1964 Chilean elections, the CIA provided covert funding and support for the Christian Democratic Party candidate Eduardo Frei Montalva. Eduardo Frei won the presidential election in 1964, and continued to receive CIA support while he was in power. In the 1970 election, Salvador Allende, a candidate of a coalition of leftist parties, was elected, and remained in power until the CIA orchestrated coup of 1973. After the coup, Augusto Pinochet took power and was backed by the CIA.

Since our variable $US\ influence_{t,c}$ equals one in all periods in which a leader is installed or supported by the CIA, the variable equals one from 1964 to 1970 when Eduardo Frei was in power. It equals zero in 1971 and 1972, the years when Salvador Allende was in office. It then equals one from 1973 to 1988, the years when Augusto Pinochet, who was installed and supported by the CIA, was in power.

Table A2: An example: The history of successful CIA interventions in Chile.

isocode	year	US influence	Key Historical Events
...	
CHL	1963	0	
CHL	1964	1	Election; CIA propoganda, funding, etc; Frei wins
CHL	1965	1	Continued support for right wing groups, etc.
CHL	1966	1	...
CHL	1967	1	...
CHL	1968	1	...
CHL	1969	1	...
CHL	1970	1	Salvador Allende wins election
CHL	1971	0	
CHL	1972	0	
CHL	1973	1	CIA planned coup; head of military, Pinochet takes power
CHL	1974	1	...
CHL	1975	1	...
CHL	1976	1	...
CHL	1977	1	...
CHL	1978	1	...
CHL	1979	1	...
CHL	1980	1	...
CHL	1981	1	...
CHL	1982	1	...
CHL	1983	1	...
CHL	1984	1	...
CHL	1985	1	...
CHL	1986	1	...
CHL	1987	1	...
CHL	1988	1	Plebiscite, democratic elections; Pinochet steps down
CHL	1989	0	
...	

Total interventions over time

Figure A1 shows the total number of successful CIA interventions among all countries in each year between 1947 and 1989. In other words, the figure reports the number of countries for which $US\ influence_{t,c} = 1$ in each year.



Figure A1: Total number of countries experiencing a successful CIA intervention in each year.

Summary statistics

Table A3 reports summary statistics for the core variables of the analysis.

Table A3: Summary statistics.

Variable	Obs.	Mean	Std. Dev.	Variable	Obs.	Mean	Std. Dev.
<i>Country-year sample</i>							
<i>US influence</i>	4,149	0.225	0.418	<i>US influence</i>	236,384	0.208	0.406
In normalized imports from the US	4,149	-6.350	1.668	<i>US influence</i> × <i>US exporter</i>	236,384	0.004	0.064
In normalized imports from the World	4,149	-21.430	1.595	<i>US influence</i> × <i>US alignment of exporter</i> , I^{US}	236,384	0.159	0.322
In normalized exports from the US	3,922	4.479	2.507	<i>US influence</i> × <i>NATO member exporter</i>	236,384	0.044	0.204
In normalized exports from the World	3,922	6.778	2.036	<i>US influence</i> × <i>OECD member exporter</i>	236,384	0.061	0.240
				<i>US influence</i> × <i>Western European exporter</i>	236,384	0.062	0.242
Soviet intervention control	4,149	0.069	0.253	In normalized bilateral imports	236,384	-21.897	2.415
In per capita income	4,149	7.871	1.004	<i>Country-industry-year sample</i>			
New leader	4,149	0.165	0.371	<i>2-digit industries</i>			
Leader tenure	4,149	7.093	7.067	<i>US influence</i>	131,895	0.272	0.445
Democracy indicator	4,149	0.357	0.479	<i>US influence</i> × <i>US RCA</i>	131,895	0.044	0.098
<u>Trade cost / B&B MR controls:</u>							
In Distance	4,149	2.660	1.054	<i>US RCA</i>	131,895	0.168	0.127
Common language indicator	4,149	-0.174	0.110	In normalized imports from the US	131,895	-4.467	2.678
Contiguous border indicator	4,149	-0.125	0.256	<i>3-digit industries</i>			
GATT participant indicator	4,149	0.001	0.140	<i>US influence</i>	330,358	0.267	0.442
Regional trade agreement indicator	4,149	-0.156	0.073	<i>US influence</i> × <i>US RCA</i>	330,358	0.029	0.067
In (1+US military aid)	4,149	0.920	1.595	<i>US RCA</i>	330,358	0.114	0.090
In (1+US economic aid)	4,149	1.751	1.809	In normalized imports from the US	330,358	-5.675	2.657
In (1+Ex-Im Bank loans)	4,149	0.725	1.393	<i>4-digit industries</i>			
<i>US influence (install and support)</i>	4,149	0.087	0.283	<i>US influence</i>	553,842	0.244	0.429
<i>US influence (support only)</i>	4,149	0.137	0.344	<i>US influence</i> × <i>US RCA</i>	553,842	0.027	0.065
				<i>US RCA</i>	553,842	0.112	0.093
				In normalized imports from the US	553,842	-6.612	2.723

Notes: The table reports summary statistics for the core variables in the estimating equations.

Heterogeneous effects

Columns 1–5 of table A4 reports estimates that test for heterogeneous effects of CIA interventions by decade over the sample period. We do this by interacting $US\ influence_{t,c}$ with indicator variables for each decade of the sample. We find evidence of larger effects in the 1950s and smaller effects in the 1970s. Columns 6–9 of table A4 report estimates that allow for a differential impact by geography, distinguishing between countries in the Americas, Asia, Africa and Europe. We find some evidence of a weaker impact impact of CIA interventions among African countries.

We also consider heterogeneity of effects across industries. In the paper we examine differential effects based on the US and foreign country's RCA. For the interested reader, we also report estimates of the effects of CIA interventions on imports for each SITC 2-digit SITC industry. In practice, we estimate equation (4) separately for each industry. Table A5 reports, for each regression, the estimated coefficient and standard error for $US\ influence$, as well as the number of observations. The estimates for each industry are ordered, from lowest to highest, based on the magnitude of the coefficient estimate.

Table A4: Testing for heterogeneous effects by decade and by continent.

	Dep var: ln imports from the US								
	Heterogeneity across decades			Heterogeneity across continents					
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<i>US influence</i>	0.287*** (0.110)	0.188* (0.112)	0.322*** (0.118)	0.383*** (0.109)	0.271** (0.112)	0.392*** (0.132)	0.181 (0.112)	0.270** (0.115)	0.303* (0.174)
<i>Interaction terms:</i>									
<i>US influence</i> x 1940s indicator	0.366 (0.264)								
<i>US influence</i> x 1950s indicator		0.473*** (0.130)							
<i>US influence</i> x 1960s indicator			-0.100 (0.101)						
<i>US influence</i> x 1970s indicator				-0.316*** (0.084)					
<i>US influence</i> x 1980s indicator					0.118 (0.137)				
<i>US influence</i> x Africa indicator						-0.662* (0.365)			
<i>US influence</i> x Asia indicator							0.341 (0.267)		
<i>US influence</i> x Europe indicator								0.339 (0.295)	
<i>US influence</i> x Americas indicator									-0.021 (0.271)
R-squared	0.836	0.837	0.836	0.837	0.836	0.837	0.836	0.836	0.836
Observations	4,149	4,149	4,149	4,149	4,149	4,149	4,149	4,149	4,149

Notes: The unit of observation is a country c in year t , where t ranges from 1947 to 1989. The dependent variables is the natural log of the imports from the US divided by total GDP. All regressions include year fixed effects, country fixed effects, a Soviet intervention control, ln per capita income, an indicator for leader turnover, current leader tenure, a democracy indicator, as well as Baier and Bergstrand (2009) controls for trade costs and multilateral resistance terms. These are a function of the natural log of bilateral distance, an indicator variable for a common language, an indicator variable for a shared border, an indicator for both trading partners being GATT participants and an indicator for the trading partners being part of a regional trade agreement. Coefficients are reported with Newey-West standard errors with a maximum lag of 40. ***, **, and * indicate significance at the 1, 5 and 10% levels.

Table A5: Impacts of CIA interventions on imports from the US, by 2-digit SITC industry.

SITC 2 digit	Industry description	Coef	SE	Obs
34	Gas, natural and manufactured	-0.597	(0.598)	1,058
22	Oil seeds, oil nuts and oil kernels	-0.494	(0.566)	1,621
28	Metalliferous ores and metal scrap	-0.486*	(0.288)	1,581
42	Fixed vegetable oils and fats	-0.240	(0.213)	2,420
24	Wood, lumber and cork	-0.220	(0.233)	1,819
61	Leather, leather manufactures nes and dressed fur skins	-0.107	(0.232)	1,870
41	Animal oils and fats	0.003	(0.259)	1,824
21	Hides, skins and fur skins, undressed	0.029	(0.325)	1,335
85	Footwear	0.038	(0.315)	1,779
12	Tobacco and tobacco manufactures	0.090	(0.155)	2,622
68	Non ferrous metals	0.155	(0.192)	2,367
04	Cereals and cereal preparations	0.161	(0.148)	2,935
03	Fish and fish preparations	0.174	(0.261)	1,708
26	Textile fibres, not manufactured, and waste	0.189	(0.228)	2,650
63	Wood and cork manufactures excluding furniture	0.194	(0.199)	2,102
32	Coal, coke and briquettes	0.195	(0.293)	1,400
11	Beverages	0.202	(0.231)	2,059
84	Clothing	0.206	(0.245)	2,494
29	Crude animal and vegetable materials, nes	0.247**	(0.120)	2,351
43	Animal and vegetable oils and fats, processed	0.252	(0.253)	1,752
73	Transport equipment	0.255	(0.171)	2,412
88	Photographic apparatus, optical goods, watches	0.269*	(0.149)	2,591
52	Crude chemicals from coal, petroleum and gas	0.280	(0.174)	2,503
71	Machinery, other than electric	0.280**	(0.128)	2,824
33	Petroleum and petroleum products	0.323*	(0.168)	2,691
89	Miscellaneous manufactured articles, nes	0.327*	(0.169)	2,788
87	Professional, scientific and controlling instruments	0.337**	(0.140)	2,893
27	Crude fertilizers and crude minerals, nes	0.341**	(0.145)	2,294
65	Textile yarn, fabrics, made up articles, etc.	0.345**	(0.170)	2,778
82	Furniture	0.357*	(0.182)	2,442
53	Dyeing, tanning and colouring materials	0.364***	(0.128)	2,461
66	Non metallic mineral manufactures, nes	0.370***	(0.127)	2,608
25	Pulp and paper	0.374	(0.305)	1,660
74	General industrial machinery, equipment and parts	0.380**	(0.153)	2,925
77	Electrical machinery, apparatus and appliances nes	0.381**	(0.174)	2,811
57	Explosives and pyrotechnic products	0.383	(0.270)	1,639
83	Travel goods, handbags and similar articles	0.399*	(0.215)	1,810
58	Artificial resins and plastic materials, etc.	0.402**	(0.185)	2,493
05	Fruit and vegetables	0.434***	(0.151)	2,476
64	Paper, paperboard and manufactures thereof	0.438***	(0.164)	2,622
51	Chemical elements and compounds	0.439***	(0.160)	2,485
56	Fertilizers, manufactured	0.444*	(0.240)	1,878
59	Chemical materials and products, nes	0.446**	(0.176)	2,813
69	Manufactures of metal, nes	0.449***	(0.127)	2,783
06	Sugar, sugar preparations and honey	0.452**	(0.176)	1,992
81	Sanitary, plumbing, heating and lighting fixtures	0.455***	(0.166)	2,255
62	Rubber manufactures, nes	0.457***	(0.154)	2,648
55	Perfume materials, and toilet and cleansing products	0.464***	(0.124)	2,535
67	Iron and steel	0.466***	(0.180)	2,600
23	Crude rubber including synthetic and reclaimed	0.470***	(0.176)	1,942
75	Office machines and automatic data processing equipment	0.484***	(0.152)	2,766
54	Medicinal and pharmaceutical products	0.485***	(0.185)	2,813
72	Electrical machinery, apparatus and appliances	0.497***	(0.150)	3,003
76	Telecommunications and sound recording apparatus	0.555***	(0.146)	2,859
78	Road vehicles	0.575***	(0.199)	2,897
02	Dairy products and eggs	0.581***	(0.205)	2,387
00	Live animals	0.599**	(0.233)	1,703
07	Coffee, tea, cocoa, spices and manufactures thereof	0.599**	(0.251)	1,839
08	Feed stuff for animals excluding unmilled cereals	0.602**	(0.240)	1,988
09	Miscellaneous food preparations	0.621***	(0.160)	2,586
01	Meat and meat preparations	0.636*	(0.331)	1,939
79	Other transport equipment	0.658***	(0.219)	2,786
95	Firearms of war and ammunition	0.667**	(0.314)	1,030

Notes: The table reports estimates of equation (7), with the sample restricted to trade within a 2-digit SITC industry. Each row of the table reports the coefficient, standard error from one regression, as well as the number of observations in the regression. Standard errors are Newey-West standard errors with a maximum lag of 40.

Underlying Mechanisms

We now provide further details about the procedure discussed in section IV of the paper. Using South Korea's input-output (I-O) tables for 2000, we measure, for each industry, the proportion of an industry's production that is purchased by the government, and the proportion that of an industry's imports that are purchased by the government. The industries are originally classified into 413 industries according to South Korea's I-O classification. The industries with the highest shares are reported in table A6 (for purchases) and A7 (for imports).

We link each of the industries to an SITC 2-digit industry and aggregate to create government-purchase shares measured at the SITC 2-digit level. With this measure, we then estimate equation (10) from the paper, which allows the impact of CIA interventions to differ for industries above and below the median shares of government purchases.

Table A6: South Korean government purchases by industry.

Industry code	Industry description	Total purchases	Share of purchases by government
292	Aircraft and parts	1,883,121	33.00%
245	Misc. Machinery and equipment of special purpose	2,841,776	15.95%
135	Printing	3,490,317	9.75%
290	Ship repairing and ship parts	1,432,490	7.99%
134	Publishing	1,970,672	6.69%
137	Coal briquettes	31,351	5.13%
143	Light oil	9,616,189	4.05%
130	Stationery paper and office paper	427,867	4.01%
288	Steel ships	497,812	3.94%
141	Jet oil	1,461,073	3.92%
296	Metal furniture	232,011	3.89%
177	Misc. Rubber products	373,248	3.75%
136	Publishing and reproduction of recorded media	203,278	3.63%
303	Models and decorations	475,999	3.62%
272	Electric household fans	103,206	3.23%
275	Medical instruments and supplies	623,142	3.20%
17	Other Inedible crops	117,394	3.05%
161	Medicaments	8,179,915	2.99%
160	Pesticides and other agricultural chemicals	1,257,428	2.62%
140	Gasoline	3,737,202	2.45%
293	Motorcycles and parts	192,900	2.43%
168	Explosives and fireworks products	243,279	2.21%
299	Sporting and athletic goods	284,689	2.21%
123	Other wooden products	214,411	2.20%
277	Measuring and analytical instruments	2,554,009	2.10%
105	Textile wearing apparels	894,109	2.09%
304	Misc. Manufacturing products	532,697	2.01%
295	Wood furniture	715,011	1.91%
133	Newspapers	2,258,836	1.82%
226	Internal combustion engines and turbines	2,481,148	1.68%
142	Kerosene	2,144,468	1.57%
278	Cinematograph cameras and projectors	301,989	1.51%
152	Industrial gases	862,064	1.48%
144	Heavy oil	6,835,148	1.48%
16	Seeds and seedlings	247,346	1.42%
252	Electric lamps and electric lighting fixtures	2,023,989	1.38%
147	Misc. Petroleum refinery products	771,153	1.33%
300	Musical instruments	120,732	1.23%
224	Household metallic utensils	216,282	1.22%
232	Heating apparatus and cooking appliances	98,153	1.20%
297	Other furniture	825,329	1.18%

Notes: Data are from the South Korean 2000 Input Output tables. The first column reports the total value of purchases in the Korean economy for the industry listed, measured in millions of won. The second column reports the share of the domestic sales purchased by the South Korean government.

Table A7: South Korean government imports by industry.

Industry code	Industry description	Total imports	Share of imports purchased by government
292	Aircraft and parts	1,687,673	49.95%
245	Misc. Machinery and equipment of special purpose	3,972,974	10.24%
293	Motorcycles and parts	71,047	9.83%
134	Publishing	454,914	7.01%
152	Industrial gases	14,312	6.98%
289	Other ships	45,401	6.02%
140	Gasoline	191,059	5.35%
296	Metal furniture	38,249	3.89%
111	Cordage, rope, and fishing nets	35,481	3.75%
143	Light oil	355,982	3.70%
130	Stationery paper and office paper	31,680	3.64%
168	Explosives and fireworks products	10,784	3.62%
275	Medical instruments and supplies	1,175,696	3.13%
281	Passenger automobiles	327,755	3.03%
161	Medicaments	1,255,220	2.95%
284	Motor vehicles with special equipment	97,824	2.59%
267	Radio and television broadcasting and wireless communications	2,014,445	2.45%
141	Jet oil	843,964	2.43%
304	Misc. Manufacturing products	232,135	2.21%
17	Other Inedible crops	115,514	2.16%
226	Internal combustion engines and turbines	914,868	2.07%
303	Models and decorations	156,210	2.01%
290	Ship repairing and ship parts	154,223	1.93%
142	Kerosene	488,827	1.77%
135	Printing	141,742	1.71%
109	Textile products	298,539	1.68%
300	Musical instruments	119,561	1.65%
269	Office machines and devices	454,201	1.64%
215	Metal products for construction	18,721	1.45%
252	Electric lamps and electric lighting fixtures	420,589	1.41%
136	Publishing and reproduction of recorded media	112,334	1.39%
16	Seeds and seedlings	117,208	1.39%
159	Fertilizers	225,474	1.33%
191	Abrasives	64,402	1.32%
268	Computer and peripheral equipment	6,736,961	1.22%
173	Industrial plastic products	471,165	1.22%
133	Newspapers	10,229	1.21%
232	Heating apparatus and cooking appliances	37,478	1.20%
277	Measuring and analytical instruments	4,800,457	1.15%
169	Recording media for electronic equipments	274,621	1.15%
153	Basic inorganic chemicals	1,342,904	1.13%

Notes: Data are from the South Korean 2000 Import Input Output tables. The first column reports the total value of imports in the Korean economy for the industry listed, measured in millions of won. The second column reports the share of the imports purchased by the South Korean government.

Testing Alternative Explanations

Tables A8 and A9 report the RCA measure for the US for two years in our sample, 1962 and 1989, for each 2-digit SITC industry.

Table A10 reports estimates of equation (11), but using manufacturing industries only. We omit agricultural industries since they tend to have export subsidies and other similar export-promoting policies that may cause their RCA measures to imprecisely reflect countries' underlying comparative advantage in the sector. The agricultural industries omitted are those falling within the following 2-digit SITC industries: 00 (live animals), 01 (meat and meat preparations), 02 (dairy products and eggs), 03 (fish and fish preparations), 04 (cereals and cereals preparations), 05 (fruits and vegetables), 06 (sugar, sugar preparations and honey), 07 (coffee, tea, cocoa, and spices), 08 (feedstuff for animals & unmilled cereals), and 09 (Misc. food preparations). As reported in table A10, we obtain nearly identical results omitting agriculture from the analysis.

Table A8: US revealed comparative advantage (RCA) in 1962.

Low RCA industries			High RCA Industries		
US RCA in 1962	sic2	Industry description	US RCA in 1962	sic2	Industry description
0.043	11	Beverages	0.909	81	Sanitary, plumbing, heating and lighting fixtures
0.065	07	Coffee, tea, cocoa, spices and manufactures thereof	0.910	88	Photographic apparatus, optical goods, watches
0.083	03	Fish and fish preparations	1.003	43	Animal and vegetable oils and fats, processed
0.101	06	Sugar, sugar preparations and honey	1.137	42	Fixed vegetable oils and fats
0.108	85	Footwear	1.155	62	Rubber manufactures, nes
0.146	00	Live animals	1.203	52	Crude chemicals from coal, petroleum and gas
0.227	91	Scrap and waste	1.207	69	Manufactures of metal, nes
0.308	33	Petroleum and petroleum products	1.263	54	Medicinal and pharmaceutical products
0.314	63	Wood and cork manufactures excluding furniture	1.294	55	Perfume materials, and toilet and cleansing products
0.377	01	Meat and meat preparations	1.335	57	Explosives and pyrotechnic products
0.386	84	Clothing	1.343	76	Telecommunications and sound recording apparatus
0.415	24	Wood, lumber and cork	1.373	77	Electrical machinery, apparatus and appliances nes
0.442	34	Gas, natural and manufactured	1.547	78	Road vehicles
0.456	65	Textile yarn, fabrics, made up articles, etc.	1.555	51	Chemical elements and compounds
0.468	02	Dairy products and eggs	1.562	09	Miscellaneous food preparations
0.469	68	Non ferrous metals	1.598	89	Miscellaneous manufactured articles, nes
0.471	29	Crude animal and vegetable materials, nes	1.626	22	Oil seeds, oil nuts and oil kernels
0.503	64	Paper, paperboard and manufactures thereof	1.650	72	Electrical machinery, apparatus and appliances
0.510	28	Metalliferous ores and metal scrap	1.654	35	Machinery, except electrical
0.538	66	Non metallic mineral manufactures, nes	1.669	74	General industrial machinery, equipment and parts
0.545	67	Iron and steel	1.685	58	Artificial resins and plastic materials, etc.
0.559	83	Travel goods, handbags and similar articles	1.701	75	Office machines and automatic data process. equip.
0.579	05	Fruit and vegetables	1.788	71	Machinery, other than electric
0.619	25	Pulp and paper	1.877	12	Tobacco and tobacco manufactures
0.645	21	Hides, skins and fur skins, undressed	1.927	04	Cereals and cereal preparations
0.723	27	Crude fertilizers and crude minerals, nes	1.976	41	Animal oils and fats
0.736	82	Furniture	1.977	73	Transport equipment
0.740	61	Leather, leather manuf. Nes, and dressed fur skins	2.058	59	Chemical materials and products, nes
0.740	23	Crude rubber including synthetic and reclaimed	2.207	87	Professional, scientific and controlling instruments
0.778	26	Textile fibres, not manufactured, and waste	2.240	32	Coal, coke and briquettes
0.800	08	Feed stuff for animals excluding unmilled cereals	2.435	79	Other transport equipment
0.819	53	Dyeing, tanning and colouring materials	3.133	95	Firearms of war and ammunition
0.836	56	Fertilizers, manufactured			

Table A9: US revealed comparative advantage (RCA) in 1989.

Low RCA industries			High RCA Industries		
US RCA in 1989	sic2	Industry description	US RCA in 1989	sic2	Industry description
0.059	94	Scrap and waste	0.929	27	Crude fertilizers and crude minerals, nes
0.095	85	Footwear	0.930	78	Road vehicles
0.122	07	Coffee, tea, cocoa, spices and manufactures thereof	0.937	55	Perfume materials, and toilet and cleansing products
0.124	83	Travel goods, handbags and similar articles	0.944	57	Explosives and pyrotechnic products
0.144	34	Gas, natural and manufactured	0.947	73	Transport equipment
0.154	33	Petroleum and petroleum products	1.013	54	Medicinal and pharmaceutical products
0.159	84	Clothing	1.078	26	Textile fibres, not manufactured, and waste
0.231	02	Dairy products and eggs	1.079	28	Metalliferous ores and metal scrap
0.284	11	Beverages	1.083	89	Miscellaneous manufactured articles, nes
0.300	06	Sugar, sugar preparations and honey	1.187	72	Electrical machinery, apparatus and appliances
0.338	67	Iron and steel	1.192	09	Miscellaneous food preparations
0.399	43	Animal and vegetable oils and fats, processed	1.227	58	Artificial resins and plastic materials, etc.
0.400	65	Textile yarn, fabrics, made up articles, etc.	1.279	51	Chemical elements and compounds
0.450	35	Machinery, except electrical	1.309	56	Fertilizers, manufactured
0.500	82	Furniture	1.397	77	Electrical machinery, apparatus and appliances nes
0.510	66	Non metallic mineral manufactures, nes	1.398	95	Firearms of war and ammunition
0.516	61	skins	1.400	52	Crude chemicals from coal, petroleum and gas
0.531	81	Sanitary, plumbing, heating and lighting fixtures	1.424	74	General industrial machinery, equipment and parts
0.563	00	Live animals	1.521	24	Wood, lumber and cork
0.573	63	Wood and cork manufactures excluding furniture	1.550	08	Feed stuff for animals excluding unmilled cereals
0.593	68	Non ferrous metals	1.800	59	Chemical materials and products, nes
0.625	42	Fixed vegetable oils and fats	1.825	25	Pulp and paper
0.633	76	Telecommunications and sound recording apparatus	1.894	32	Coal, coke and briquettes
0.658	29	Crude animal and vegetable materials, nes	1.982	75	Office machines and automatic data process. equip.
0.659	23	Crude rubber including synthetic and reclaimed	2.014	71	Machinery, other than electric
0.671	03	Fish and fish preparations	2.103	21	Hides, skins and fur skins, undressed
0.711	64	Paper, paperboard and manufactures thereof	2.388	79	Other transport equipment
0.825	05	Fruit and vegetables	2.548	87	Professional, scientific and controlling instruments
0.831	88	Photographic apparatus, optical goods, watches	2.827	04	Cereals and cereal preparations
0.849	62	Rubber manufactures, nes	2.934	12	Tobacco and tobacco manufactures
0.868	53	Dyeing, tanning and colouring materials	3.067	41	Animal oils and fats
0.902	01	Meat and meat preparations	3.293	22	Oil seeds, oil nuts and oil kernels
0.914	69	Manufactures of metal, nes			

Table A10: Testing the trade costs channel, omitting agricultural sectors.

	Dependent variable: ln normalized imports from the US		
	Manufacturing industries		
	2-digit (1)	3-digit (2)	4-digit (3)
<i>US influence</i>	0.536*** (0.117)	0.453*** (0.092)	0.405*** (0.0813)
<i>US influence</i> × <i>US RCA</i>	-1.236** (0.498)	-1.470** (0.635)	-1.352** (0.583)
<i>US RCA</i>	2.133*** (0.272)	4.543*** (0.231)	3.879*** (0.177)
R-squared	0.677	0.644	0.655
Observations	112,575	290,110	491,154

Notes: The unit of observation is a country c in year t in a 2, 3 or 4-digit SITC industry i , where t ranges from 1962 to 1989. The dependent variable is the natural log of imports from the US normalized by total GDP. All regressions include year fixed effects, country fixed effects, industry fixed effects, Baier and Bergstrand multilateral resistance terms, a Soviet intervention control, importer RCA, importer RCA interacted with *US influence*, ln per capita income, an indicator for leader turnover, current leader tenure, an democracy indicator, as well as Baier and Bergstrand (2009) controls for trade costs and multilateral resistance terms. These are a function of the natural log of bilateral distance, an indicator variable for a common language, an indicator variable for a shared border, an indicator for both trading partners being GATT participants and an indicator for the trading partners being part of a regional trade agreement. Coefficients are reported with standard errors clustered at the country-year level in brackets. ***, **, and * indicate significance at the 1, 5 and 10% levels.

Table A11 reports an additional test of the political ideology channel, discussed in section V.B of the paper. We re-estimate equation (12), but with the sample of exporters restricted to include: (i) NATO members, (ii) OECD members, (iii) Western European countries (and the US), or (iii) countries that are large exporters, which includes countries with above mean world exports in 1969.¹ This strategy examines the effect of voting similarity among an arguably more homogenous (and comparable) group of exporting countries.

We continue to find a robust, positive, and statistically significant differential impact of CIA interventions on imports from the US. For non-US countries, in all specifications, we find estimates that are small and negative (which is consistent with trade diversion). To see the effect for the typical non-US country (in the restricted sample) first note that the mean of *US alignment of exporter* $V_{t,e}^{US}$ within the sample of exporters in column 1 is 0.92. Therefore, the effect of interventions on imports from a country with the mean of US vote similarity is $\beta_1 + 0.92 \times \beta_3$, where β_1 and β_3 are defined in equation (11) in the paper. Using the estimates from column 1, the figure is given by: $0.636 - 0.92 \times 0.672 = 0.017$, which is not statistically different from zero. Calculations for columns 2–4 are similar. The table reports the predicted value for $\beta_1 + V_{t,e}^{US} \times \beta_3$ evaluated at the mean of $V_{t,e}^{US}$, as well as its standard error. In all four specifications, the effect is not statistically different from zero.

¹Results are very similar using alternative definitions of large exporters.

Table A11: Testing the political ideology channel using a restricted set of exporters.

	Dependent variable: ln bilateral imports			
	NATO exporters (1)	OECD exporters (2)	W. Europe & US exporters (3)	Larger exporters (4)
<i>US influence</i>	0.636** (0.306)	0.768*** (0.227)	0.750*** (0.203)	0.374*** (0.137)
<i>US influence</i> × <i>US exporter</i>	0.336*** (0.121)	0.353*** (0.119)	0.345*** (0.119)	0.441*** (0.115)
<i>US influence</i> × <i>US alignment of exporter</i> , V^{US}	-0.672** (0.325)	-0.814*** (0.242)	-0.799*** (0.217)	-0.522*** (0.151)
Effect of <i>US influence</i> on imports from avg. exporter	0.017 (0.037)	0.043 (0.035)	0.036 (0.033)	-0.046 (0.034)
R-squared	0.870	0.765	0.867	0.827
Observations	44,567	58,183	57,392	96,102

Notes: The unit of observation is a country-pair in year t , where t ranges from 1947 to 1989. The dependent variable is the natural log of imports into country c from country e in year t normalized by the product of total GDP of country c and of country e . All regressions include year fixed effects, country-pair fixed effects, ln importer per capita income, ln exporter per capita income, a Soviet intervention control (and the same interactions as for the CIA intervention variable), an indicator for importer leader turnover, an indicator for exporter leader turnover, importer current leader tenure, exporter current leader tenure, an importer democracy indicator, and an exporter democracy indicator. All specifications also include Baier and Bergstrand (2009) controls for trade costs and multilateral resistance terms. These are a function of the natural log of bilateral distance, an indicator variable for a shared border, an indicator variable for a common language, an indicator for both trading partners being participants of GATT, and an indicator for both being part of a regional trade agreement. Column 1 restricts the sample to exporting countries that were NATO members, column 2 restricts the sample to exporters that were original OECD members, column 3 restricts the sample to exporters from Western Europe or the United States, and column 4 restricts the sample to large exporters, defined as those that had the above mean level of world exports in 1969. Coefficients are reported with Newey-West standard errors in brackets. ***, **, and * indicate significance at the 1, 5 and 10% levels.

References

- Baier, Scott L., and Jeffrey H. Bergstrand.** 2009. "Bonus Vetus OLS: A Simple Method for Approximating International Trade-Cost Effects using the Gravity Equation." *Journal of International Economics*, 77: 77–85.
- Barbieri, Katherine, Omar M.G. Keshk, and Brian M. Pollins.** 2008. "Correlates of War Project Trade Data Set Codebook, Version 2.0." Mimeo, June 17, 2008.
- Barbieri, Katherine, Omar M.G. Keshk, and Brian M. Pollins.** 2009. "Trading Data: Evaluating our Assumptions and Coding Rules." *Conflict Management and Peace Science*, 26(5): 471–491.
- Bueno de Mesquita, Bruce, Alastair Smith, Randolph M. Siverson, and James D. Morrow.** 2004. *The Logic of Political Survival*. Cambridge, MA:MIT Press.
- Cheibub, José Antonio, Jennifer Gandhi, and James Raymond Vreeland.** 2010. "Democracy and Dictatorship Revisited." *Public Choice*, 143: 67–101.
- Feenstra, Robert C., Robert E. Lipsey, Haiyan Deng, and Alyson C. Ma.** 2004. "World Trade Flows, 1962–2000." Mimeo, UC Davis.
- Gartzke, Erik.** 2006. "The Affinity of Nations Index, 1946–2002." Mimeo, Columbia University.
- Head, Keith, Thierry Mayer, and John Ries.** 2010. "The Erosion of Colonial Trade Linkages after Independence." *Journal of International Economics*, 81(1): 1–14.
- Hufbauer, Gary Clyde, Jeffrey J. Schott, Kimberly Ann Elliott, and Barbara Oegg.** 2009. *Economic Sanctions Reconsidered, 3rd Edition*. Washington, D.C.:Peterson Institute for International Economics.
- Maddison, Angus.** 2003. *The World Economy: Historical Statistics*. Paris:OECD.
- Maoz, Zeev.** 2005. "Dyadic MID Dataset (version 2.0)." UC Davis.
- Tomz, Michael, Judith L. Goldstein, and Douglas Rivers.** 2007. "Do We Really Know That the WTO Increases Trade? Comment." *American Economic Review*, 97(5): 2015–2018.
- USAID.** 2006. *U.S. Overseas Loans and Grants: Obligations and Loan Authorizations*. Washington, D.C.:USAID Development Experience Clearinghouse.