

# Online Appendix

## A Historical Background on each Coup

### I Iran 1953

“Anglo-Iranian Rises on News of Mossadegh’s Fall” - August 20, 1953 *New York Times* Headline.

In 1951, Muhammed Mossadegh campaigned for prime minister on a platform of ending British ownership of Iranian oil. The Iranian parliament (the Majlis) had passed a measure supporting nationalization on March 25, 1951. Mossadegh was elected Prime Minister by the Majlis on April 28, 1951. His assumption of power on April 28 was followed quickly by a nationalization of Anglo-Iranian oil assets on May 1, 1951. Initially commanding a great deal of popular support, Mossadegh threatened the power of the Shah. The Shah dismissed Mossadegh on July 18th, 1952, only to reinstate him 5 days later after a barrage of popular protest. However, support for Mossadegh fell by the middle of 1953. The Truman administration had attempted to broker

a deal between the British and the Iranian government. With the advent of the Eisenhower administration, however, the U.S. government's interests in overthrowing Mossadegh increased. In late 1952, the British MI6 found an ear receptive to the idea of overthrowing Mossadegh in Allen Dulles, and final coup plans were jointly approved by the CIA and MI6 on June 18, 1953.

Churchill approved the coup plan on July 1, 1953, with Eisenhower's endorsement following 10 days later.<sup>1</sup> The United States and the United Kingdom spent hundreds of thousands of dollars on lobbying politicians and hiring crowds of demonstrators (Gasiorowski and Byrne 2004). They also convinced the Shah to dismiss Mossadegh and assume power directly. On August 16th, the coup began, but failed owing to logistical and planning problems. However, anti-Mossadegh protests and violence over the next few days culminated in Mossadegh's overthrow on August 19, 1953 (Kinzer 2004).

## II Guatemala 1954

“The overthrow of the Communist-dominated government of Guatemala, while causing a cessation of shipments from that country for a period of about 3 weeks, was a decidedly favorable development which will have far-reaching effects in the future.”- 1954 United Fruit Shareholder's Report

Guatemala has been historically marked by a high degree of political and

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<sup>1</sup>Our primary timeline on CIA/MI6 activities in Iran comes from the *New York Times* construction of a timeline based on Wilber(1954) (declassified 2002), available at: <http://www.nytimes.com/library/world/mideast/041600iran-cia-index.htm>

economic inequality (Mahoney 2002; Dunkerley 1985). The center-left Arevalo regime that came to power in 1945, following the first free elections in the country, immediately provoked the anger of the coffee planters by striking down the most repressive of the labor regulations. The 1951 successor government, led by Jacobo Arbenz, had a policy platform centered around a comprehensive land reform and modernization plan. The leftist government thus threatened both the domestic coffee landlords as well as the United Fruit company, which owned over 40% of Guatemala's land, along with all the banana processing plants, virtually all of the shipping ports, and most of the railroads in the country (Gleijeses 1991).

On June 17, 1952, the agrarian reform bill was passed, and redistribution began on August 7 of the same year. The land reform bill also encouraged peasant land occupations, which were violently suppressed by landowners. On December 12, 1952, workers at the Tiquisate plantation filed for 55,000 acres to be expropriated from United Fruit under the agrarian reform bill. United Fruit petitioned the Supreme Court, which demanded a stay on all land confiscation and redistribution. In response, the Arbenz-dominated congress voted to impeach the Supreme Court. On February 25, 1953, the Guatemalan government expropriated 234,000 more acres from United Fruit, and subsequently another 173,000 acres in the following year.

The United States foreign policy establishment, prodded by United Fruit's intense public relations and lobbying effort, reacted to the 1952 implementation of the Arbenz land reform as evidence that the country was becoming communist.

Allen Dulles, then Deputy Director of the CIA, promoted the coup vigorously to Director of Central Intelligence (DCI) Walter Bedell Smith and President Harry Truman (Schlesinger and Kinzer 2005). On August 18, 1952, Operation PBFortune was approved by Bedell Smith, only to be halted on October 8, 1952, as potential leaks of the coup plot were discovered. However, with the advent of the Eisenhower government, Allen Dulles was promoted to DCI, and approved a new plan to overthrow Arbenz on December 9, 1953. Full approval was given by Eisenhower given on April 19th, 1954 (Cullather 1999)<sup>2</sup>.

The coup was launched on June 19, 1954 when US-backed Castillo Armas and his force of 150 troops invaded Guatemala from Honduras. While at first the coup was unsuccessful, after 9 days, on June 28, 1954, the Arbenz government capitulated (Immerman 1983).

### III Cuba 1961-1962

“Stock prices, like bond prices, advanced at first in sympathy, and then declined with disagreement over the unsuccessful invasion attempt. For instance, on the big board, Cuban American Sugar, largely American owned, and with some diversification in this country, rose  $4\frac{3}{8}$  points to  $23\frac{3}{4}$ , a new high for the year, but closed on Friday at  $19\frac{3}{4}$ .” - April 23, 1961 *New York Times* article.

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<sup>2</sup>Also see Cullather’s declassified 1994 CIA timeline, our source for events, which is available at: <http://www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB4>

On January 1, 1959, the Cuban dictator, Fulgencio Batista, fled Cuba to the Dominican Republic. On January 3rd, the new government was set up and on January 8 of 1959, Fidel Castro's march through Havana signalled that the Cuban revolution was a *fait accompli*.

Following an initially lukewarm reaction from the United States, and a friendly U.S. tour by Castro in April of the same year, relations chilled quickly when Castro obtained 100 advisors from the USSR and expropriated all foreign (largely U.S.) landholdings in May, 1959. Covert plans to overthrow Castro began in the fall of 1959, modelled on the Guatemalan intervention and with many of the same CIA officers involved<sup>3</sup>. On March 17, 1960, Eisenhower gave presidential approval to the CIA's plan, and later authorized 13 million dollars towards the overthrow of the Castro regime. The date of the coup was set for August 19, 1960. The plan involved a small group of trained Cuban exiles who would invade, establish a beachhead, and draw support in the countryside, eventually deposing Castro. Publicly, the U.S. responded to the increased closeness of the Castro government with the Soviet Union by progressively increasing economic sanctions and diplomatically ostracizing the new Cuban government. In retaliation, the Cuban government began nationalizing other U.S. held assets in Cuba on August 5, 1960 and continued through October of the same year (Dominguez, 1993).

When Kennedy assumed power in January 1961, he authorized continuation

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<sup>3</sup>Our timeline on CIA activities in Cuba comes from the National Security Archives, available at: <http://www.gwu.edu/~nsarchiv/bayofpigs/chron.html>

of the CIA plan on January 30, 1961, after extensive deliberation with advisors. Having moved up the timetable, the invasion finally began on April 15, 1961, with a diversionary landing and air attacks on airfields, while the actual landing of the exile army occurred on April 17. After three days of fighting, after the last of the invaders were captured by the Cuban military, it became very clear that the invasion was a failure. There is ample speculation as to why the invasion failed. Firstly, there were regular leaks of the plans to the press, forcing the timetable acceleration as well as giving the Cubans plenty of advance warning. The CIA had also falsely predicted a popular anti-Castro uprising following the invasion. In addition, the U.S. operation against Cuba was characterized by a large number of miscommunications and logistical errors (Gleijeses 1995; Weiner 2007; Prados 2006), culminating in Kennedy's decision not to provide air support to the exile invasion force (Kornbluh 1998; Vandenbroucke 1984).

While defeated at Bay of Pigs, the Kennedy administration continued its opposition to the Castro regime. On November 4, 1961, Kennedy authorized General Edward Lansdale to begin planning another military operation against Cuba. However, Kennedy was again reluctant to fully commit U.S. military resources, which leads deputy chief of the Cuba desk Sam Halpern to describe Operation Mongoose as “utter nonsense” (Weiner 2007 p. 125). In addition, it was leaked to the press as well as Castro and the Soviets, as Dobb notes:

“It was, in fact, the worst possible foreign policy combination: aggressive, noisy, and ineffective. It was clear to anybody who paid attention to leaks

in the American press and rumors in the Cuban exile community that the Kennedys were out to get Castro. There was enough substance to Mongoose to alarm Castro and his Soviet patrons into taking countermeasures-but not enough to threaten his grip on power [...] At the end of its first year, Operation Mongoose was shaping up to as an almost perfect failure.” (Dobb 2009, p. 14).

The Cuban missile crisis forced the Kennedy government to call off Operation Mongoose at the end of October, 1962. Relations between Cuba and the United States further deteriorated, with the CIA conspiring regularly to assassinate Castro in the decades following the coup attempt.

#### IV Congo 1960-61

“Katanga Concern Has Record Year. Mining Group Reports Big Copper Rise in ‘60 Despite Disruptions in Congo.” - *New York Times* column headline, Feb 8, 1961.

The Congo became formally independent from Belgium on June 30, 1960.<sup>4</sup> Patrice Lumumba, an ardent Congolese anti-colonial organizer and the Congo’s first prime minister, immediately had two problems on his hands. The first was the secession of Katanga, the copper rich state that had been an enclave of Union Minière d’Haut Katanga. The other was a rebellion of the Congolese military over the preservation of white officers and pre-colonial

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<sup>4</sup>Much of this account is drawn from De Witte (2001), who also provides the chronology that we use to construct events

wage scales. Moïse Tshombe, the leader of Katanga, anticipated the loss of wealth that would come with integration with an independent Congo, as the Belgian government had promised to turn over the shares in Union Minière to the Congolese government. However, the Belgian parliament had also established the legality of Katanga's secession was determined while Congo was still a colony, on June 15th, in the Belgian parliament. To compound things, another province, South Kasai, also declared its independence.

The mineral holdings, including uranium, gold, as well as vast amounts of copper, were a large part of what was at stake in the Congo political crisis. The secession of Katanga was backed by the Belgian government as well as Union Minière, which had extensive connections with the Belgian colonial administration as well as Belgian king Baudouin's court, and thus had access to the 6000 Belgian troops that are stationed in Katanga. Lumumba appealed to the UN security council, which responded by demanding that Belgium evacuate its troops and that UN peacekeepers be stationed in the Congo for military assistance. However, the UN secretary general, Dag Hammarskjöld refused to allow the UN troops to be used to subdue and occupy Katanga. Lumumba then requested the Soviet Union for military assistance to subdue Kasai and Katanga.

The acceptance of Soviet military aid in August finally pushed the CIA to begin planning to eliminate Lumumba. During a national security council



meeting on August 18th, Eisenhower “makes it clear that he favors Lumumba’s removal” (De Witte 2001). The plot, codenamed “Project Wizard,” included deploying a poisoner to the Congo. Meanwhile, the Belgian government was orchestrating its own independent action to eliminate Lumumba, codenamed “Operation Barracuda,” which Colonel Marliere began planning on September 11, 1960.

Meanwhile, the political conditions in the Congo changed very quickly, and President Kasavubu dismissed Lumumba on September 5. While Lumumba rejected the dismissal and obtained a parliamentary vote of confidence, a new actor, army chief Joseph Mobutu declared Lumumba under arrest on September 12th, and enacted a coup d’etat on September 14th. However, it took a full month for Mobutu to encircle Lumumba’s house. On October 10, Mobutu finally cordons off Lumumba’s house, which though still protected by UN troops, effectively kept Lumumba confined to his home. With this arrest, the Belgians subsequently called off the official Operation Barracuda. However, both the Belgians and the Americans were concerned that Lumumba remained a threat, and the CIA operation remained in effect.

On November 27, Lumumba escaped from his house, but was shortly recaptured and imprisoned in the military base at Thysville on December 2nd. Confident that the UN will no longer protect Lumumba from Mobutu, the United States cancelled its operation to assassinate Lumumba. Fearing a

pro-Lumumba soldier's revolt at Thysville, Mobutu's Belgian advisors urged him to transfer Lumumba to Katanga, where he was secretly killed, with Belgian involvement, on January 18th, with his death not publicly announced until February 13th, 1961.

## V Chile 1971-73

“Anaconda was one of those on the plus side, rising  $\frac{7}{8}$  to  $22\frac{7}{8}$ . Its strength was attributed partly to the revolt yesterday in Chile against the Marxist government, which, in 1971, expropriated the holdings of Anaconda and other U.S. companies.” - September 12, 1973 quote from the *Wall Street Journal*

The Allende government that narrowly won elections on September 4, 1970 had already overcome a long series of U.S. and domestic obstacles, beginning in 1958 with Allende's first run for president <sup>5</sup>. Through the Alliance for Progress program, the United States had been heavily involved with Chilean domestic politics, trying to deflate the left-wing FRAP alliance (Sigmund 1977) and more generally create a positive example of a free-market, democratic economy in Latin America. The Christian Democrats, backed by the U.S., handily won the 1964 municipal elections, as well as the 1965 senate elections.

The September 4, 1970 elections were sufficiently close that Allende's ratification

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<sup>5</sup>Our primary timeline on CIA activities in Chile comes from the declassified Church report, available at: [http://www.aarclibrary.org/publib/church/reports/vol7/pdf/ChurchV7\\_13\\_Appendix.pdf](http://www.aarclibrary.org/publib/church/reports/vol7/pdf/ChurchV7_13_Appendix.pdf)

as president required a congressional vote on October 24, 1970, a fact that the first U.S. plan tried to exploit.

Copper was by far the most important industry in Chile. Within 2 months of assuming office, Allende had proposed nationalizing the mines, and on July 11, 1971, the Chilean legislature approved nationalization. While domestic pressure for “Chileanization” of the large copper mines was omnipresent, the Christian Democrats favored a majority shareholder stake for the government, together with generous compensation, and retention of both foreign management and rights of control. This was in contrast to the position of Allende’s FRAP, which demanded outright nationalization and a much smaller compensation package. In particular, on September 28, 1971, the government declared that the copper multinationals had been making “excess profits” since 1946, and deducted this from the compensation package.

The U.S. began plotting for a coup even before Allende formally assumed power, with Nixon authorizing an anti-Allende plan on September 15, 1970. Coup planning and funding authorization after this was delegated to the 40 Committee, which was set up in the wake of the Bay of Pigs failure in order to operate as the mediating body between the upper echelons of the executive branch of the US government and the CIA. The CIA and the State Department began two tracks in the fall of 1970; Track 1, which involved public political support for Allende’s domestic opponents, and Track 2 which involved covert political operations against the government (U.S. Senate, 1975). Track 1 ended with Allende’s ratification by the legislature,

but “Track 2 never really ended.”<sup>6</sup>

On January 28, 1971, the 40 committee appropriated \$1.2 million for the overthrow of the Allende regime. This was followed by an additional \$1.4 million on October 26, 1972. Finally, on August 21, 1973, a few months after Allende managed to strengthen his electoral support in the March 4, 1973 municipal elections, the 40 committee allocated \$1 million to overthrow Allende. While the true extent of CIA participation in the 1973 coup that deposed Allende is unclear, it is known that they supported and had knowledge of Pinochet’s coup plan (Kornbluh 2003). On September 11, 1973, the Allende government was toppled in a military coup.

## B Coup Selection

We selected our sample of coups on the following basis: (1.) a CIA timeline of events or a secondary timeline based upon an original CIA document existed, (2.) the coup contained secret planning events including at least one covert authorization of a coup attempt by a national intelligence agency and/or a head of state / ministry, and (3.) the coup authorization was against a government which expropriated or threatened to expropriate property of at least one exposed multinational firm with publicly traded shares<sup>7</sup>. Table I shows a full list of CIA operations from Prados (2006). The highlighted

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<sup>6</sup>CIA officer Tom Karamessines, cited in (Weiner 2007, p. 315).

<sup>7</sup>It turns out that the third criterion is redundant. All covert coups with available planning documents had at least one publicly listed multinational company with nationalized property.

operations are those that met our criteria, which limited us to 5 coup attempts. Operation Ajax in Iran in 1953 led to the overthrow of Muhammed Mossadegh. Operations PBFortune and PBSuccess in Guatemala in 1952 and 1954 respectively culminated in the overthrow Jacobo Arbenz Guzman. The US unsuccessfully attempted to overthrow the Fidel Castro government in Operation Zapata in 1961. We also include Operation Wizard, which was the attempt to assassinate Lumumba in the Congo, which, while not directly successful, did indirectly result in Lumumba's death. Finally, Operation FU/Belt in Chile, which began in 1970 with a failed assassination attempt of Salvador Allende, contributed to Allende's overthrow in the 1973 coup.

Figure A1 validates our selection of coups using a new source of data. Automatically scraping the CIA electronic reading room search engine,<sup>8</sup> we count the number of secret CIA documents each year that have been declassified as of July 14, 2010 that refer to a particular country. We consider this a crude proxy for CIA interest and involvement, but it is important to note that this is still subject to selection bias in declassification. We then merge that data with the Polity 4 indicator for a regime change, and a list of expropriations of U.S. property provided by Noel Maurer (augmented with Anglo-Iranian in Iran and Union Minière in Congo). We then plot the number of CIA documents. The resulting graph shows the log of the number of CIA documents for each country-year within 1 year of an expropriation and 1 year of a political transition. Our graph suggests that we are indeed

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<sup>8</sup>Available at <http://www.foia.cia.gov>

capturing the instances of political change and expropriation that drew a disproportionate amount of the CIA's interest. The other country-years in the graph, for example Brazil and Indonesia, were regime changes that were roughly contemporaneous with expropriations, and generated substantial CIA interest, but no involvement in the regime change to the best of our knowledge. Only Brazil in 1962, out of the 49 countries in the sample has more CIA documents than the highest interest year for any of the countries in our sample.

We select our treatment companies based upon exposure to nationalization. We follow a four stage procedure. We first examine all the nationalizations in the timelines. If companies are mentioned by name, we include them. Second, we augment this list with lists of nationalized companies from Congressional testimony<sup>9</sup>. Third, we use only publicly listed companies. We obtain lists of publicly listed companies from CRSP for companies listed in US stock exchanges. To this we add (1.) the Anglo-Iranian Oil Company, a British firm whose stock price was listed on the London Stock Exchange in the *New York Times* Finance Section and (2.) Union Minière de Haute Katanga, a Belgian company listed on Antwerp's exchange and which was copied by hand from archives in Antwerp by Frans Buelens. Lastly, we only include companies with accessible exposure data. We compute exposure as the value of assets in the foreign country divided by value of outstanding shares. We

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<sup>9</sup>The US Congress held hearings on Chilean and Cuban nationalizations of assets held by US based multinationals in 1974.

use data on nationalized asset claims where available and gross investments where not available.

We calculate asset exposures using a variety of sources. For Iran, there is only one company. We use compensation amounts reported in Bamberg (2000). For Guatemala, there is also only one company. We make use of United Fruit shareholders reports from 1953 and 1954 and augment them with compensation amounts reported in Gleijeses (1991). For the Congo, we use De Witte (2001). For Cuba, the department of justice maintains a list of all property claims made by U.S. nationals against the Cuban government. We use the amounts claimed in this list to calculate exposures of U.S. corporations in Cuba. For Chilean companies, we obtain expropriation amounts listed in Baklanoff (1975). Details are in the next section.

For each company, we collect a time series consisting of the closing price, a value weighted index of the New York Stock Exchange, the three digit SIC industry code, the number of outstanding shares and where readily available the volume of shares traded<sup>10</sup>. We also extract the daily closing price of a matched company in the same three digit industry as the expropriated company. For a measure of public political information, we also collect the number of *New York Times* articles in a given day that list both the country and the regime leader. A list of companies and summary statistics by company are in online Appendix Table AI.

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<sup>10</sup>We only have volume data for companies listed on US exchanges.

## C Exposures

We compute exposure ratios of multinational corporate assets to nationalization by foreign governments. We use the average value of outstanding shares during the last year of the estimation window as the value of the company. We also compute the value of exposed assets for each company which satisfies our selection criterion. In later years, compensation requests were made by companies to the US government. Where this data is available, we use it. In the case of Iran and Guatemala, we reconstruct asset exposures using available valuations of sub-assets held by the multinational in the country.

### I Iranian Companies (Anglo-Iranian Oil Company)

After the coup, the Anglo-Iranian Oil Company (AIOC) received 40% of Iran's oil assets, while the rest went to a consortium of French and American companies. While we do not know exactly how much the oil assets are worth, we can calculate the expected compensation from what AIOC asked from the consortium. Bamberg (1994, p. 501) writes that Fraser, the negotiator for AIOC vis-a-vis the British and American governments, asked for 530 million pounds directly from Iran together with 280 million pounds from the consortium (for the AIOC assets that the consortium was getting), a total of 810 million pounds in compensation.

To compute the total value of the Anglo-Iranian Oil Company, we use 143.7 pounds sterling, the mean share price from January to May of 1950.



Unfortunately, the *New York Times* historical records from “Bonds and Shares on the London Market” does not contain the number of shares outstanding. Nevertheless, we obtain annual share volumes from Howarth *et al.* (2007), which reports 20,137,500 shares outstanding for Anglo-Iranian from 1930 to 1953. Concomitant with the change to British Petroleum, the company split the stock by a factor of 5. This generates a market value of 2.89 billion pounds sterling. We use the 1953 dollar exchange rate (obtained from eh.net) of \$2.81 to obtain 2.31 billion as the value of the expropriated assets and 7.46 billion as the market value.

## II Guatemalan Companies (United Fruit Company)

United Fruit experienced 3 episodes of land expropriation under Decree 900 of the Arbenz government. The first, in March 1953, was the only one for which compensation was formally demanded via the State department. United Fruit asked for “more than 15 million”<sup>11</sup>, which Gleijeses found was 19.35 million, in compensation for roughly 234,000 acres<sup>12</sup> valued at \$83.3 each. The Guatemalan government instead offered \$610,000 in agrarian bonds, paying 3% interest over 25 years, which equals \$1.3 million in total. The total land owned by United Fruit in Guatemala was 550,000 acres, including improved and unimproved lands. Assuming a constant per-acre valuation, we can calculate the value of all of United Fruits land, which we calculate to be  $\$550,000 \times 83.3 = \$45.8$  million.

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<sup>11</sup>United Fruit Company 1954 shareholders report.

<sup>12</sup>FRUS:Foreign Relations, 1952-1954, vol. IV, pp. 1056-1057 (Document 13).

The other major asset of United Fruit in Guatemala was their ownership of railroads, which was also threatened by the Arbenz government, even though no railroads were nationalized. Part of the threat came from modernization projects (e.g. an Atlantic highway) that threatened the profitability of the railroad as a monopoly on long-distance transit. The 1954 shareholders report for United fruit lists that the total value of railways and tramways was US \$29.5 million. United Fruit had 185.17 miles of railways in Guatemala, out of 1,486.31 miles total, and 43.78 miles of tramways out of 181.49 total. Thus, the fraction of their railways in Guatemala is 0.124, and the fraction of tramways is 0.241. Thus, the total rail and tramway fraction in Guatemala is 0.137. Assuming a constant value of rail and tram across countries, we get that the value of rail and tram assets in Guatemala is 29.5 million dollars. Putting these two pieces of information together, we get that the total exposure of United Fruit in Guatemala was US \$45.8 million plus US \$29.5 million, totalling \$75.3 million dollars.

### III Chilean Companies

We calculate the exposure of the Chilean copper companies from Baklanoff (1975), who reports the amounts claimed by each of the copper companies. Baklanoff's source, a Congressional hearing on expropriations in Chile (U.S. Congress 1973), provides lists of other companies nationalized. For the other companies reported as nationalized, we use the NACLA "New Chile" book, which gives the value of investment in 1970 for most foreign companies and

US parent percentage equity, to calculate exposure. The NACLA numbers are obtained from a variety of sources. NACLA lists both the business press (e.g. Forbes) and official Department of Commerce publications, among others. However, it is not possible to determine where each company's investment numbers in Chile comes from. We cross-check the NACLA numbers with the Congressional testimony of ITT's executives as to the worth of their expropriated investments, and find, reassuringly, that ITT's investment in Chile is listed at \$153 million by both sources.

#### IV Cuban Companies

We obtain the amounts expropriated by the Cuban government from the Department of Justice, which provided us with a 1972 list of claims filed by American individuals and corporations with the Foreign Claims Settlement Commission against Cuba for expropriated property. In order to account for inflation, we calculate the mean inflation rate between 1959 and 1972, 3% from the BLS CPI-U index, and used it to calculate the value of the assets in 1959.

#### V Congo Companies (Union Minière)

The negotiations for independence in Congo included the Belgian government transferring Union Minière shares to the newly independent Congolese government. The Katangan secession preempted the actual transfer, as well as exempted Union Minière from any taxes they would have had to pay the new government,

as that all Union Minière assets were in the seceded territory. Thus we use for the expropriated assets the amount that the company paid to the Katangan leader, Moïse Tshombe, in lieu of the tax payments they would have had to make to the newly independent Lumumba government. De Witte (2001, p. 32) gives this number as 1.25 billion francs.

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Online Appendix Table A.I  
Public Event Selection

Date	Country	Description	Good
September 4, 1970	Chile	Allende Wins Election	N
October 24, 1970	Chile	Legislature Votes for Allende	N
December 21, 1970	Chile	Allende Proposes Mine Nationalization	N
July 11, 1971	Chile	Amendment Allowing Nationalization of Copper	N
September 28, 1971	Chile	Excess Profits Subtracted From Nationalization Comp.	N
September 29, 1971	Chile	Chitelco (owned by ITT) Nationalized	N
May 12, 1972	Chile	ITT Expropriation Requested by Allende	N
March 4, 1973	Chile	Allende's Party Get 43% of Vote in Elections	N
June 15, 1960	Congo	Law Allowing Katangan Secession Passed	N
July 11, 1960	Congo	Katanga Secedes	N
September 14, 1960	Congo	President Kasavubu Dissolves Parliament	N
October 11, 1960	Congo	Lumumba Put Under House Arrest	Y
February 13, 1961	Congo	Katanga Announces Death of Lumumba	Y
January 1, 1959	Cuba	Castro Comes to Power in Cuban Revolution	N
August 5, 1960	Cuba	Cuba Nationalizes Electricity, Oil, Telephone, Sugar	N
October 12, 1960	Cuba	Cuba Nationalizes Sugar, Beer, Liquor, Soap	N
October 24, 1960	Cuba	Cuba Nationalizes 166 More Businesses	N
November 11, 1950	Guatemala	Arbenz Elected	N
June 17, 1952	Guatemala	Arbenz Enacts Agrarian Reform Bill	N
August 7, 1952	Guatemala	Distribution of Land Under Agrarian Reform Bill Begins	N
December 12, 1952	Guatemala	Workers File for Expropriation of 55,000 Acres From UF	N
February 5, 1953	Guatemala	Congress Impeaches Court to Fasten Reform	N
February 24, 1954	Guatemala	Guatemala Confiscates 234,000 Acres	N
March 25, 1951	Iran	Iranian Parliament Backs Oil Nationalization	N
April 28, 1951	Iran	Prime Minister of Iran Quits and Mossadeq Elected	N
July 18, 1952	Iran	Ghavam Replaces Mossadeq as Prime Minister	Y
July 23, 1952	Iran	Mossadeq Comes Back As Prime Minister	N
August 4, 1953	Iran	Mossadeq Asks For Parliament to be Dissolved	N

Notes: (1.) Date is the date of the event, (2.) Country is the target country of the coup attempt, (3.) Description gives a brief description of the event, (4.) Good is coded as Y if the event should raise the share value of the company and N if the event should lower the share value of the company.

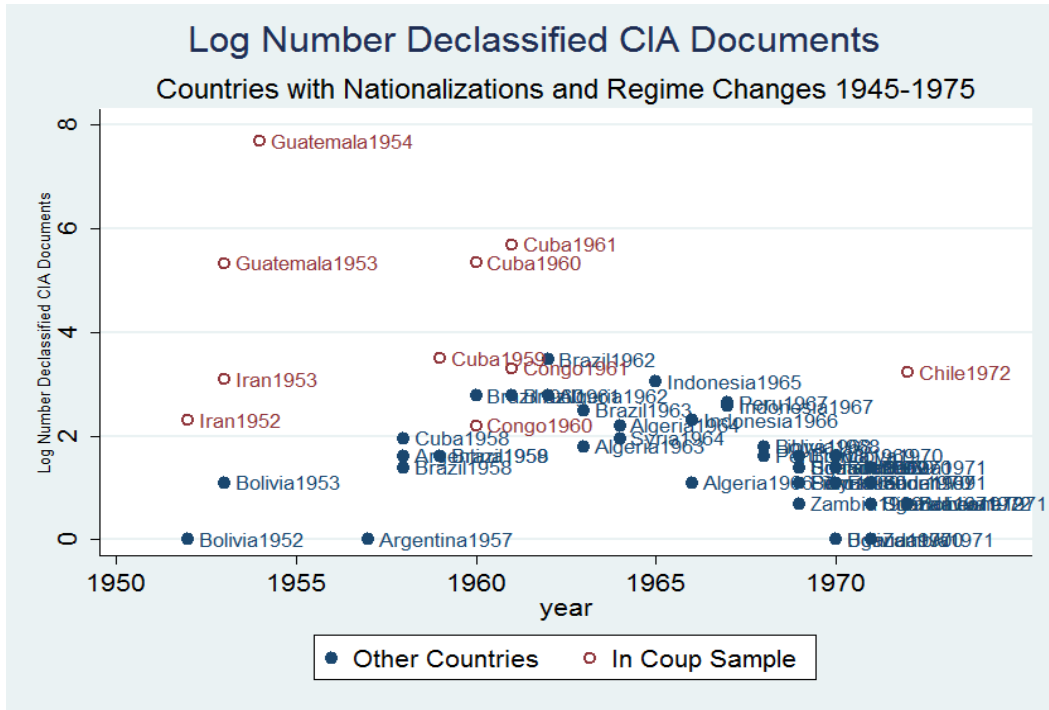


Online Appendix Table A.II  
Matched Placebo Companies

Treatment/Matched	Country	Company	SIC	Market Cap	Market Beta
T	Cuba	American Sugar Refng Co	206	58400000	0.6700
M	Cuba	Great Westn Sugar Co	206	49800000	-1.1500
T	Chile	Anaconda Co	333	48000000	1.4000
M	Chile	Kaiser Aluminum & Chemical Corp	333	49600000	1.6500
T	Chile	Bethlehem Steel Corp	331	97900000	1.4100
M	Chile	Republic Steel Corp	331	49900000	1.4200
T	Chile	Cerro Corp	103	15300000	0.9800
M	Chile	Dresser Industries Inc	103	17600000	1.4200
T	Iran	Anglo-Iranian	131	746000000	0.4500
M	Iran	Gulf Oil Corp	131	343000000	0.9900
T	Cuba	Coca Cola Co	208	60500000	0.7700
M	Cuba	Distillers Corp Seagrams Ltd	208	48100000	0.9800
T	Cuba	Continental Can Inc	341	55500000	0.6600
M	Cuba	National Can Corp	341	37000000	0.7500
T	Cuba	Freeport Sulphur Co	147	22600000	0.9100
M	Cuba	Texas Gulf Sulphur Co	147	44300000	0.5200
T	Cuba	International Tel & Teleg Corp	359	54000000	1.7200
M	Cuba	Curtiss Wright Corp	359	12800000	1.3900
T	Chile	International Tel & Teleg Corp	359	257000000	1.2700
M	Chile	Curtiss Wright Corp	359	12800000	1.3900
T	Cuba	Lone Star Cement Corp	327	25200000	0.9600
M	Cuba	Flintkote Co	327	8710000	0.9100
T	Guatemala	United Fruit Co	514	53100000	0.7500
M	Guatemala	Kroger Company	514	26000000	0.0700
T	Cuba	United Fruit Co	514	30300000	0.9500
M	Cuba	Kroger Company	514	26000000	0.0700
T	Cuba	Woolworth F W Co	566	55800000	0.6400
M	Cuba	General Shoe Corp	566	11400000	-6.2300
T	Cuba	Canada Dry Corp	208	4900000	0.7500
M	Cuba	Distillers Corp Seagrams Ltd	208	48100000	0.9800
T	Congo	Union Miniere	102	7400000	0.1400
M	Congo	Hudson Bay Mng & Smlt Ltd	102	15500000	0.2200
T	Cuba	Colgate Palmolive Co	284	27900000	1.1900
M	Cuba	Revlon Inc	284	46000000	1.2300
T	Cuba	Swift & Co	671	24400000	0.6800
M	Cuba	Mississippi River Corp	671	12800000	0.7600
T	Chile	General Tire & Rubr Co	306	32900000	1.1100
M	Chile	Associated Oil & Gas Co	306	36600000	1.3900

Notes: (1.)T indicates a company in the main sample, the M below it indicates the corresponding matched placebo, (2.) Country is the target country of the coup attempt, (3.) Market Cap is the average price times the outstanding shares starting two years before the nationalizing regime comes to power and ending one year before the nationalizing regime comes to power.(4.) Market beta is the company's correlation with the NYSE starting 3 years before the nationalizing regime comes to power and ending one year before the nationalizing regime comes to power, (5.) The matched company was found using Mahalanobis matching based upon Market Cap and Market Beta within the same 3 digit industry as the expropriated company.

Online Appendix Figure AI  
 Coup Selection



Notes: (1.) The graph plots the log of the number of declassified CIA documents for all country-years that are within 1 year of a regime change in that country, as measured by Polity IV or within 1 year of an expropriation of US multinational property in that country (as defined in data provided by Noel Maurer), or within 1 year of the nationalization of Anglo-Iranian in Iran or the secession of UMHK territory in Katanga. (2.) Regime changes used in our sample are denoted as open circles, while other regime changes are denoted as closed circles.