Foreign Influence in US Politics

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CEPR Geoeconomics
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Motivation

How lobbying influences the allocation of government resources?

Particularly touchy: foreign governments trying to influence Washington

> *Foreign lobbyists, with their track record of working for Nazis, drug-running despots, and death squad dictators, are widely thought to be the lowest type of Beltway pond scum.*
> *– Ken Silverstein, Turkmeniscam*

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What do we do?

Introduce new data:

- **Digitize over 12,000 scanned filings made under the Foreign Agents Registration Act.**
  - Over 225,000 meetings with congresspeople, US government agencies, and state governors from 2000–2018.

Two main results:

1. **Foreign lobbying affects government resource allocation.**
   - Greater foreign aid and financial assistance to foreign countries.
   - Greater corporate subsidies to US subsidiaries of foreign firms.

2. **Mechanism: provide evidence that a *quid pro quo* channel is at play.**
   - Subsidies to connected foreign firms create fewer jobs relative to an unconnected counterfactual.
   - Legislators get more privately-sponsored trips (example) and voting benefits.
   - No evidence of a lower re-election probability or lower political contributions

Data

Foreign Agents Registration Act (FARA)

- **Disclosure act:** enacted in 1938 to fight Nazi propaganda in the US.
- Act **does not** authorize or prohibit people from activities: spirit of law is US government to be aware of attempts of foreign influence
- Mandates disclosures of meetings by representatives of foreign countries with US legislators.
  - 180,000+ date-stamped **in-person** meetings between 146 foreign countries and 1,200 legislators from 2000–2018
  - 45,000+ date-stamped **in-person** meetings between 169 foreign countries and employees from 19 US agencies from 2000–2018
  - ∼1,500 date-stamped **in-person** meetings between 49 foreign countries and 214 unique state governors from 2000–2018

Who registers and discloses?

- **Agents:** firms or individuals in the United States.
- **On behalf of a Foreign Principal:** a foreign government, foreign corporation, foreign person.
- **Working on Covered Activities in the the United States:**

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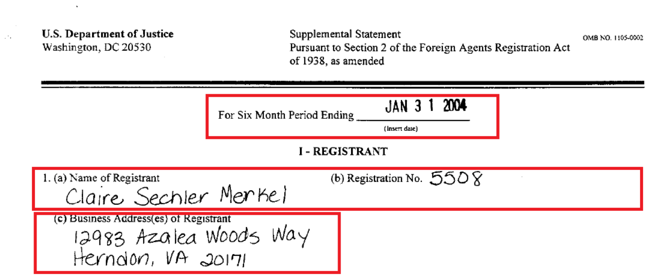

U.S. Department of Justice
Washington, DC 20530

Supplemental Statement
Pursuant to Section 2 of the Foreign Agents Registration Act
of 1938, as amended

OMB NO. 1105-0002

For Six Month Period Ending JAN 3 1 2004
(Insert date)

I - REGISTRANT

1. (a) Name of Registrant
Claire Sechler Merkel

(b) Registration No. 5508

(c) Business Address(es) of Registrant
12983 Azalea Woods Way
Herndon, VA 20171

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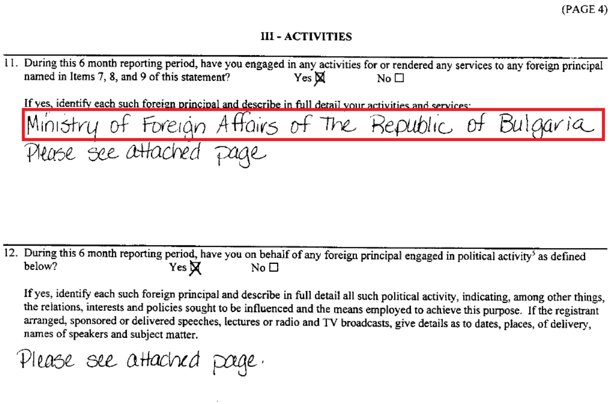

(PAGE 4)

III - ACTIVITIES

11. During this 6 month reporting period, have you engaged in any activities for or rendered any services to any foreign principal named in Items 7, 8, and 9 of this statement? Yes ☒ No ☐

If yes, identify each such foreign principal and describe in full detail your activities and services:

Ministry of Foreign Affairs of The Republic of Bulgaria

Please see attached page

12. During this 6 month reporting period, have you on behalf of any foreign principal engaged in political activity[5] as defined below? Yes ☒ No ☐

If yes, identify each such foreign principal and describe in full detail all such political activity, indicating, among other things, the relations, interests and policies sought to be influenced and the means employed to achieve this purpose. If the registrant arranged, sponsored or delivered speeches, lectures or radio and TV broadcasts, give details as to dates, places, of delivery, names of speakers and subject matter.

Please see attached page.

- **Working on <u>Covered Activities</u> in the the United States:**

Who registers and discloses?

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- **On behalf of a Foreign Principal:** a foreign government, foreign corporation, foreign person.
- **Working on Covered Activities in the the United States:**
  1. Political activities—e.g. representing the interests of a foreign principal before US Government officials or agencies;
  2. Acting as public relations counsel, a publicity agent, or political consultant;
  3. Soliciting, collecting, disbursing, or dispensing contributions, loans, money, or other things of value within the United States;

Example #1: A clean example

The identity of any government officials, members of Congress, their staff, or media the foreign agents had contact with on behalf of a foreign principal

May 22 Monday

07.00 pm Welcome reception for Sikyong at Reagan Airport

May 23 Tuesday

08.30 am Meeting with Jared Genser at Beacon
10.00 am Meeting with Senator Mike lee
11.30 am Meeting with Senator Orrin Hatch
12.30 pm Sikyong interview with RFA
01.30 pm Meeting with Yang Jianli
03.00 pm Meeting with Susan O Sullivan, Noah Krystel State Department
04.00 pm Meeting with Matthew Pottinger, Leah Bray and Laura Stone
05.30 pm Reception for Sikyong at ICT

May 24 Wednesday

09.45 am Sikyong Kunleng with VOA
11.45 am Meeting with rep. Chris Stewart
01.30 pm meeting with AEI Daniel Pletka
03.00 pm Meeting with leader Pelosi, Eliot Engel and Jim Mcgovern
05.00 pm Sikyong's talk at the Heritage Foundation
06.30 pm Reception for Sikyong by CATA

Example #2: A not so clean example

12. During this 6 month reporting period, have you on behalf of any foreign principal engaged in political activity[5] as defined below? Yes ☑ No ☐

If yes, identify each such foreign principal and describe in full detail all such political activity, indicating, among other things, the relations, interests and policies sought to be influenced and the means employed to achieve this purpose. If the registrant arranged, sponsored or delivered speeches, lectures or radio and TV broadcasts, give details as to dates, places, of delivery, names of speakers and subject matter.

CBI Sugar Group; Re: US/Mexico sugar policy. In March, met with Tim Galvin, USDA; Jon Haenemann, USTR; Marc Baas, State Department; CBI ambassadors

Embassy of Azerbaijan: Christina Roca, Sen. Brownback;

How tough is FARA enforcement?

- **Similar to Lobbying Disclosure Act (LDA):** up to 5 years in prison and/or fines of up to $250,000.
  - 13 criminal convictions out of 14 cases in the last 20 years.
  - 9 LDA cases settled with civil penalties of $200,000 or less; 1 criminal conviction—Jack Abramoff in 2020 (sentenced to 48 months).

Violating FARA is not a good idea...

Combine FARA data with...

- Legislator characteristics
  - [1] Center for Effective Lawmaking; [2] Ideology scores (Poole and Rosenthal, 1988; 2006); [3] MIT Elections; [4] Committee Assignments (Stewart, 2017); [5] Hand-collect legislator deaths; [6] Political contributions
- Lobbyist data
  - [7] Lobbying Info; [8] Open Secrets
- Measuring Influence
  - [9] Foreign Aid and Assistance; [10] Subsidies; [11] Government Contracts; [12] Legislative Activity on Tariff Bills; [13] Privately-sponsored foreign trips; [14] L2 Voter Registration
- Country data
  - [15] World bank; [16] Varieties of Democracy
- Other data
  - [17] Twitter; [18] Official trips to foreign countries; [19] United Nations General Assembly voting; [20] Foreign born individuals (CPS)

(Probably too many) Patterns we observe

1. Foreign country representatives meet disproportionately often with the most effective legislators
2. Foreign country representatives meet disproportionately often with members of the Foreign Affairs committee
3. Foreign country representatives meet disproportionately with employees of the US Agencies in charge of the allocation of most of the foreign aid
4. Foreign country representatives increase their meetings with a legislator in the year-month in which he/she sponsors a tariff bill related to the country
5. Foreign country representatives increase their meetings with a legislator in the year-month in which the committee in which he/she sits discusses a tariff bill related to the country
6. Foreign country representatives meet with legislators across the ideological spectrum and across parties

Determinant of meetings – intensive margin | Determinant of meetings – extensive margin | Effective legislators | Relevant committees

Relevant agencies | Activity on tariff bills | Across party lines

Foreign Influence

Are meetings related to changes in resource allocation?

Relationship between meetings and government resources to foreign governments and foreign firms:

1. **Foreign governments:** foreign aid.
2. **Foreign firms:** place-based subsidies for firms headquartered in foreign countries.

Mechanism: influence resource allocation through preferential treatment and/or by reducing information asymmetries.

Foreign Aid – Panel estimation

A. Aggregate legislator meetings

Dependent variable:	$100 \times \mathbb{1}_{Aid>0}$		$100 \times \log(1\text{+Aid amount})$	
	(1)	(2)	(3)	(4)
Log (1+Meetings$_t$)	0.486	0.242	12.426**	9.471*
	(0.377)	(0.377)	(5.678)	(5.631)
Controls	No	Yes	No	Yes
Country fixed effects	Yes	Yes	Yes	Yes
Year fixed effects	Yes	Yes	Yes	Yes
R^2	0.69	0.35	0.83	0.70
Observations	2,698	2,097	2,698	2,097

B. Executive agency meetings

Dependent variable:	$100 \times \mathbb{1}_{Aid>0}$		$100 \times \log(1 + \text{Aid amount})$	
	(1)	(2)	(3)	(4)
Log (1+Meetings$_t$)	1.379**	1.107*	29.075***	23.534**
	(0.537)	(0.587)	(9.876)	(10.590)
Controls	No	Yes	No	Yes
Agency × year fixed effects	Yes	Yes	Yes	Yes
Country fixed effects	Yes	Yes	Yes	Yes
R^2	0.61	0.64	0.67	0.70
Observations	18,145	14,304	18,059	14,240

Corporate subsidies

Corporate subsidies are nearly ideal because:

1. **Local**: can link meetings with individual legislators and subsidies at the congressional district or state level.
2. **Legislators have discretion:** programs aim to attract “high-benefit” firms.
3. **Many go to foreign firms:** may promote economic growth but could be detrimental to domestic firms.

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THE CLARION-LEDGER » CLARIONLEDGER.COM » SUNDAY, APRIL 28, 2013 » 3B

METRO/STATE

Pender

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Raybans that got attention. Western wear seemed of interest. So he got four pairs of cowboy boots for Yokohama execs.

"Rather than a bowl or a vase or something — we gave them something they would remember," Bryant said. The boots were a hit.

Just before the first meeting — most were held at Mississippi State University — Bryant had his folks dash out for a quick tire change. They put Yokohama tires on the vehicles.

"When the chairman came out of the meeting, he stopped and looked, and called all the other executives over, and said, 'Look, Yokohama tires.' " Bryant said.

Japanese business culture is very formal and intricate, Bryant and Christensen said, and after years of dealing with Nissan and Toyota, Mississippi leaders have learned many lessons. Such as how to handle a business card.

"When you exchange business cards, it should be handed so your name is facing them," Bryant said. "And you never take their business card and just stick it in your pocket. At the meeting, the cards are arranged on the table, in order of people's authority, the individuals at the table."

Bryant said that during numerous meetings, MSU's computer whizes and university president, local officials and other industry leaders were always at the ready to come answer questions or provide documents. If the Japanese execs had a question about power, for example, a TVA official was quickly summoned. Bryant said he and Mississippi's U.S. Sens. Thad Cochran and Roger Wicker — not just their staffers — were available for meetings as needed, something that "believe it or not, is apparently not always the case with some places."

Meanwhile, Christensen was back-and-forth to Japan, Chicago, Atlanta and elsewhere for meetings with the company, and to the Phillipines to tour other plants. Christensen joked that he now has his passport number memorized and has seen every airline movie extant.

Bryant said Joe Max Higgins, a Golden Triangle economic development leader, also hit on an idea that made an early impression. In one of the first presentations of satellite images of the Clay County site to Japanese executives, a similar Yokohama plant in the Phillipines was overlayed, showing it fit perfectly. It was an "aha" moment, Bryant said, with the executives recognizing their plant immediately.

Bryant said MSU technology and data also helped put Yokohama execs' minds at ease over a big concern: workforce. Looking at a relatively rural, sparsely populated area, they were concerned about having enough qualified workers for the plant.

But an MSU computer data program that integrates population, education, social and other data helped convince the company the plant will draw qualified workers.

Bryant said Higgins also helped convince them that in Mississippi, workers will readily commute 40 miles or more to work.

But when it came down to the short rows of the short list of sites, Bryant said, company officials noted that the offerings of the finalists were so similar that the decision would be tough.

At one of the final meetings, Bryant said, he noticed the top exec was visibly suffering angst over what could be a career-defining decision. Bryant said he empathized and just made a dead-level offering.

"I said Mr. Chairman, let me make this decision easier for you," Bryant said. "We will make this work. I promise we will make this work."

Bryant said he was worried when a later meeting to hear the decision was cancelled because the Yokohama executive got delayed in Dallas. But then, at 11 p.m. on April 10, Bryant got a phone call from him. The conversation went on for nearly 15 minutes before he told Bryant the decision.

"He said, 'We've looked at many different sites. Your incentives package and the other two states are basically the same ... We've chosen Mississippi. Your team worked harder than anyone else.'"

And, Bryant noted, "He mentioned the Yokohama tires on our vehicles. He did."

To contact Geoff Pender, call (601) 961-7266 or email gpender@jackson.gannett.com. He is @GeoffPender on Twitter.

3. **Many go to foreign firms:** may promote economic growth but could be detrimental to domestic firms.

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> ***The Tax Break Was $260 Million. Benefit to the State Was Tiny: $155,520.***
>
> How a lawyer with deep connections to Democratic politicians in New Jersey helped to dole out hundreds of millions of dollars in state tax credits.

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Corporate subsidies and meetings with lawmakers

$$\text{Subsidy outcome}_{clft} = \gamma_{ft} + \delta_{lt} + \beta \text{Meetings}_{lft} + \epsilon_{clft}$$

Dependent variable:	$100 \times \mathbb{1}_{\text{Subsidies}_t > 0}$		$100 \times \log(\text{Subsidies}_t)$	
	(1)	(2)	(3)	(4)
House Meetings$_t$	0.01	0.02	10.55***	8.85***
	(0.04)	(0.04)	(1.48)	(1.34)
Senator Meetings$_t$	3.41***	3.55***	16.45***	11.97**
	(0.62)	(0.64)	(4.24)	(5.65)
Governor Meetings$_t$	4.07***	3.47**	53.25***	35.92***
	(1.41)	(1.47)	(12.99)	(10.45)
Foreign$_t$	3.81***		139.83***	
	(0.13)		(2.99)	
State × Year FE	Yes	Yes	Yes	Yes
ISO3 × Year FE	No	Yes	No	Yes
R^2	0.08	0.08	0.30	0.30
Observations	7,903,892	7,903,892	646,301	646,230

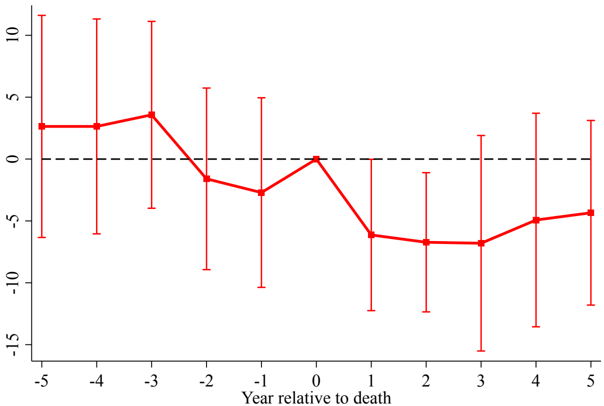
Corporate subsidies – Difference-in-Differences

- **Reverse causality:** maybe these meetings are just to work out details of already arranged subsidies.
- **Use legislator deaths as an exogenous shock to a connection:** 33 deaths.
- **Control group:** firms that got subsidies in the same local area, but whose country representatives never met with a deceased legislator.

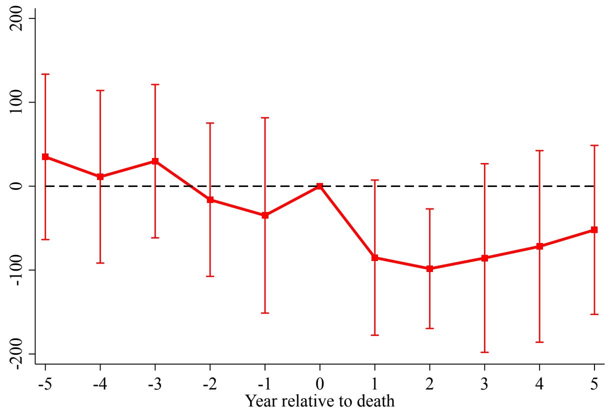
Difference-in-Differences results

$$\text{Subsidy Outcome}_{lft} = \alpha_{fl} + \alpha_t + \sum_{k=-1}^{-5} \beta_k \times \mathbb{1}^{\text{Connected}} \times \mathbb{1}_k + \sum_{k=1}^{5} \gamma_k \times \mathbb{1}^{\text{Connected}} \times \mathbb{1}_k + \epsilon_{lft}$$

A. Probability of receiving subsidy (p.p.)



B. 100 × log(1+Subsidy Amount)



Difference-in-differences government contracts – extensive margin

Difference-in-differences foreign aid – extensive margin

Difference-in-differences government contracts – intensive margin

Difference-in-differences foreign aid – intensive margin

Information or Quid Pro Quo?

What do they predict?

Connected foreign countries and foreign firms receive more resources than their unconnected peers.

Two potential channels: information or quid pro quo.

a) **Information:** connections solve information asymmetries leading to better decisions.
   - *Prediction*: more informed spending $\rightarrow$ better outcomes.

b) **Quid pro quo:** connections allow lawmakers to extract personal rents.
   - *Predictions*: (1) spending to connected parties not be associated with better outcomes; (2) lawmakers should get personal benefits (and face low costs).

Do subsidies to connected foreign firms create more jobs than a reasonable counterfactual?

- Merge Good Jobs First Subsidy Tracker data with the National Establishment Time Series.
- Examine jobs created after receiving a subsidy for connected and unconnected foreign firms.

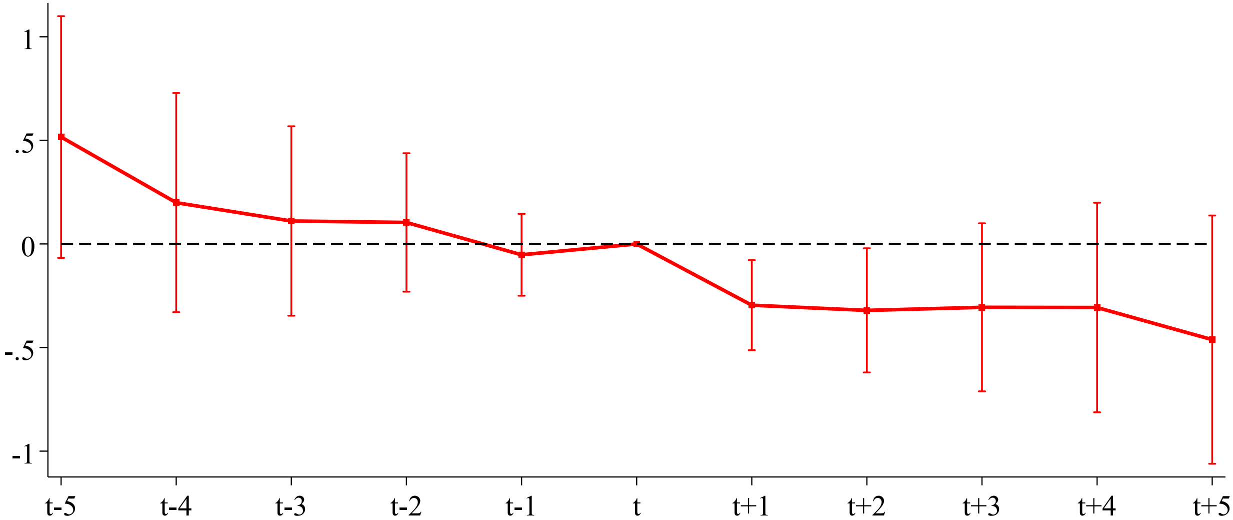
Employment after subsidies for connected firms

Dependent variable:	$100 \times (\log \text{Employment}_{t+5} - \log \text{Employment}_t)$			
	(1)	(2)	(3)	(4)
$\log \text{Subsidies}_t$	1.25***	1.29***	1.60***	1.08***
	(0.14)	(0.16)	(0.16)	(0.31)
$\log \text{Subsidies}_t \times \text{Foreign}_t$	0.39***	0.34***	0.27**	1.91**
	(0.11)	(0.11)	(0.11)	(0.94)
$\log \text{Subsidies}_t \times \text{Foreign}_t \times \text{Connected}_t$	-0.59*	-0.61**	-0.49	-0.33
	(0.31)	(0.31)	(0.31)	(0.45)
State × Year FE	No	Yes	Yes	No
NAICS3 × Year	No	No	Yes	No
Firm FE	No	No	No	Yes
Controls	Yes	Yes	Yes	Yes
R^2	0.04	0.05	0.09	0.56
Observations	126,598	126,553	126,496	120,644

Employment after subsidies for connected firms

$$100 \times \Big(\log(\text{Emp}_{clft+h}) - \log(\text{Emp}_{clfth})\Big) = \alpha_{lth} + \beta_h \log(\text{Subsidy}_{clft}) + \eta_h \text{Controls}_{clfth} + \epsilon_{clfth}$$

Local projection of change in log(Employment) around receiving subsidy



Privately-sponsored trips to foreign countries

Dependent variable:	$100 \times \mathbb{1}_{Trip>0}$		# days	
	(1)	(2)	(3)	(4)
Meetings_t	0.052***	0.046***	0.008*	0.007*
	(0.018)	(0.017)	(0.004)	(0.004)
Controls	Yes	Yes	Yes	Yes
State × year-month fixed effects	Yes	Yes	Yes	Yes
Country fixed effects	Yes	Yes	Yes	Yes
Legislator fixed effects	No	Yes	No	Yes
R^2	0.01	0.01	0.00	0.01
Observations	2,124,840	2,124,840	2,124,840	2,124,840

Costs to US Legislators – Political contributions by individuals

Dependent variable:	Political contributions by individuals (in 000 USD)		
	(1)	(2)	(3)
Meetings_t	-1.4	-1.4	-2.5
	(1.1)	(1.0)	(2.4)
Meetings_t × Political corruption index		-5.0	
		(8.7)	
Meetings_t × Corruption perception index			0.1
			(0.1)
Legislator fixed effects	Yes	Yes	Yes
State × year fixed effects	Yes	Yes	Yes
R^2	0.96	0.96	0.97
Observations	17,792	17,792	8,682

Other evidence on benefits and costs

1. **Benefits:** Novel dataset on voter registration → link the ethnicity of the electoral base to foreign countries. More meetings with legislators associated with increase in the share of registered voters with ethnic affiliations to the foreign country.

2. **Costs:** Incumbent legislators are not more likely to lose an election if they meet prolifically.

Conclusion

- Novel comprehensive dataset to study foreign lobbying and foreign influence in the United States.
- Connected parties receive more government resources.
- Results are consistent with a *quid pro quo* channel.
- Dataset offers new empirical facts that can test and refine theories of lobbying in political economics and public finance.
- Paths for future work: what determines connections, trade and foreign investment, role of connections in regime change.

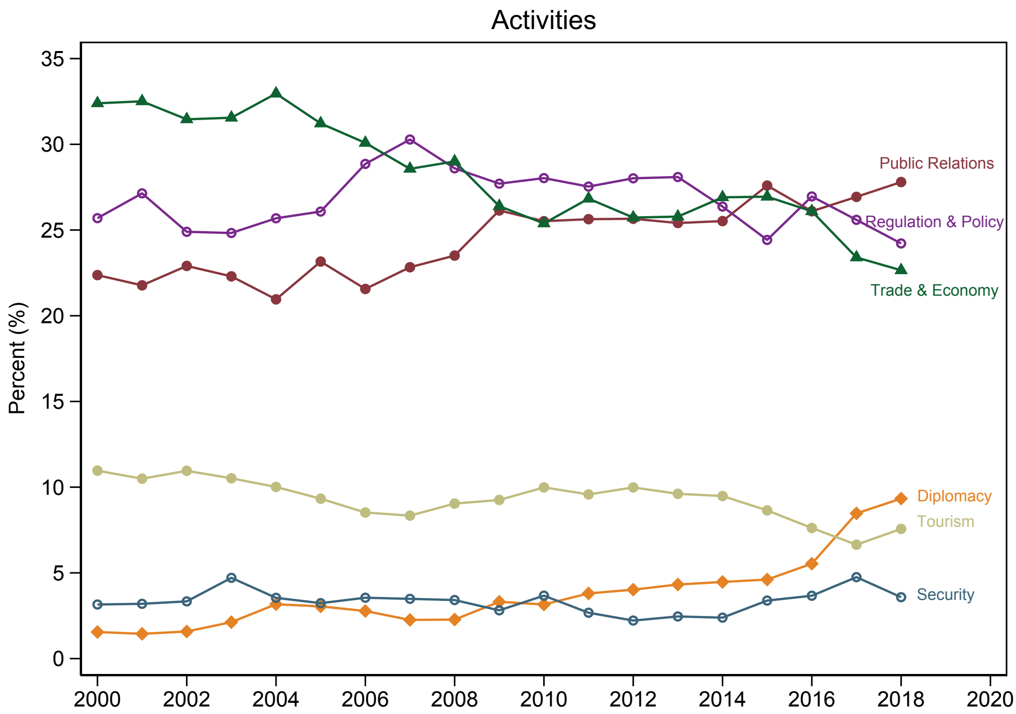
Appendix

FARA exemptions

1. Diplomatic officers if they are acting exclusively within their official capacities, as recognized by the US Department of State
2. Practicing attorneys acting in the course of legal representation before a court of law or a federal agency
3. Engaging in private and nonpolitical activities, including commerce, charitable solicitations, and religious or scientific pursuit
4. Agents that are otherwise registered under the Lobbying Disclosure Act (LDA)

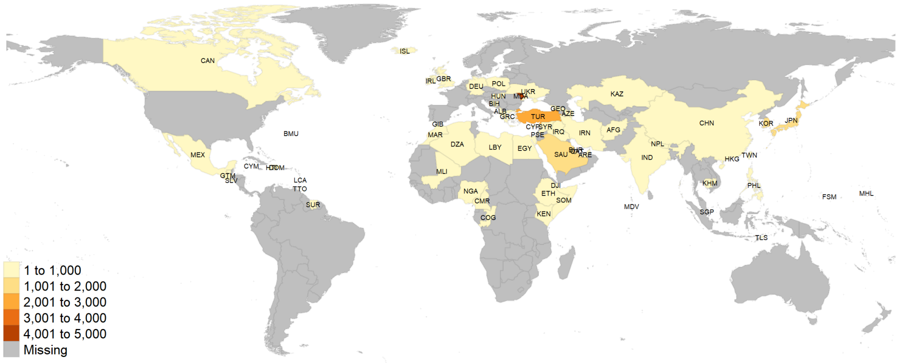
Back

What do foreign countries lobbying for?

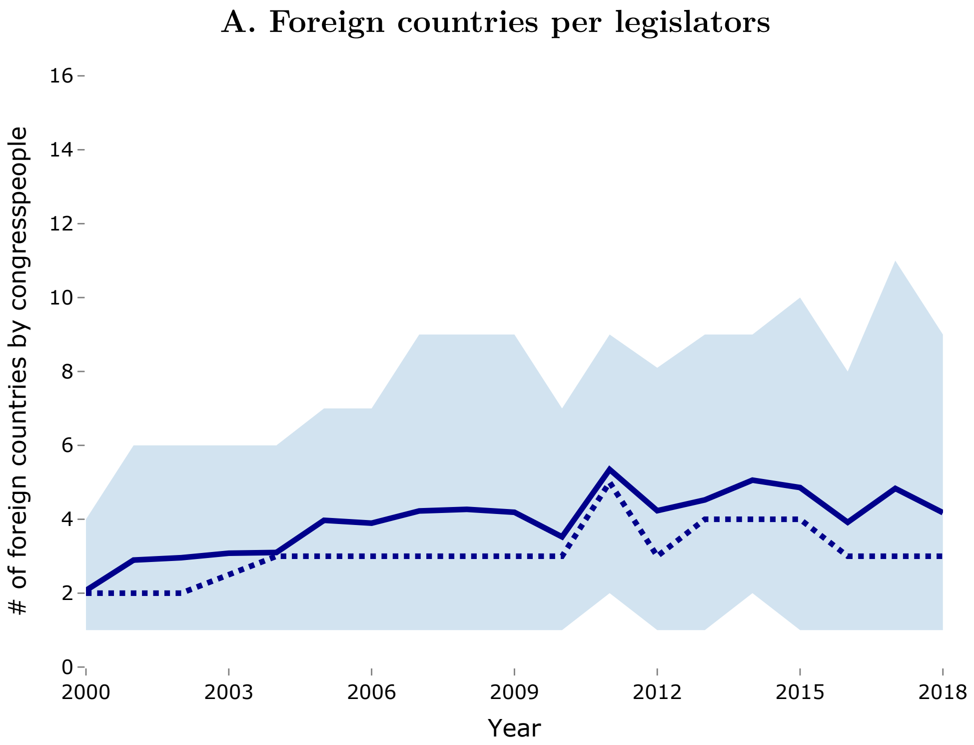


Geographic variation in the location of foreign principals whose agents meet with legislators

Number of visits by foreign principal location 2018



How many foreign countries do legislators meet with?



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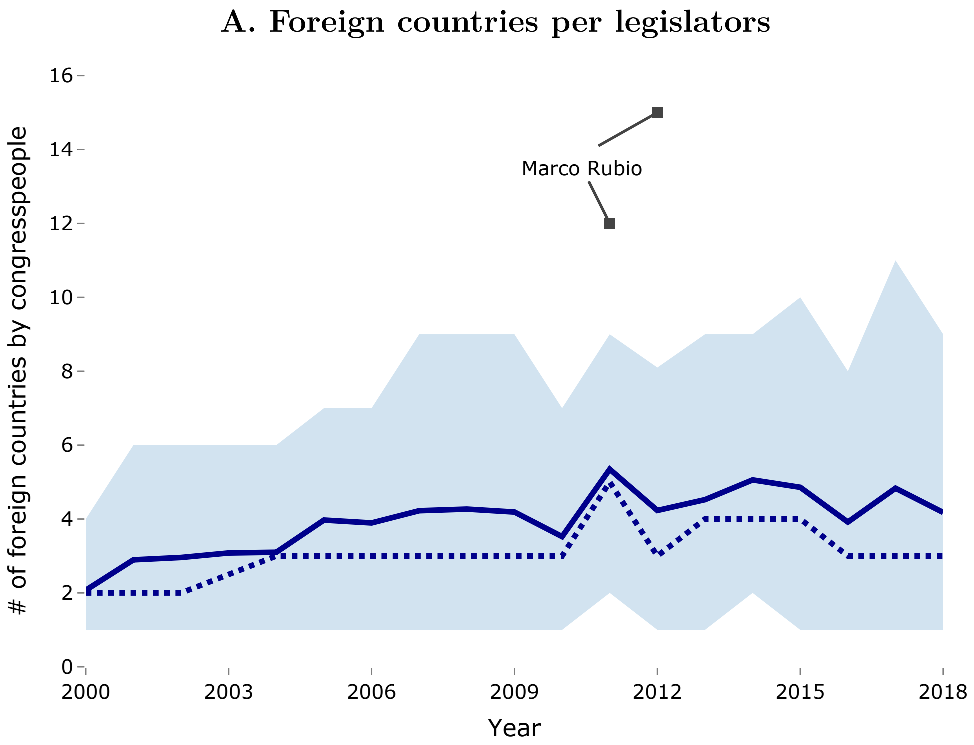
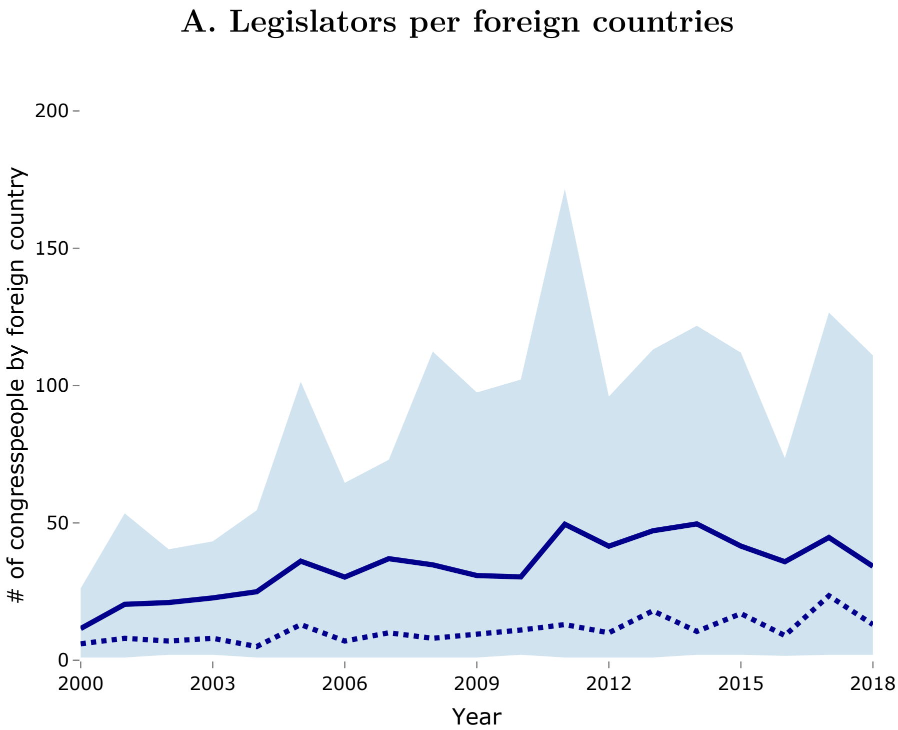
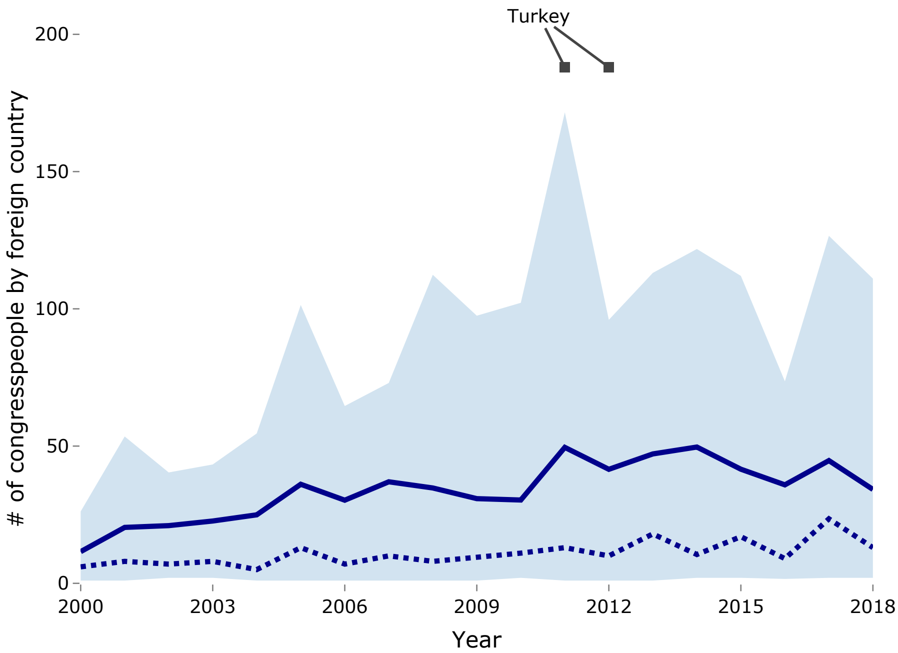


How many legislators do foreign country representatives meet with?

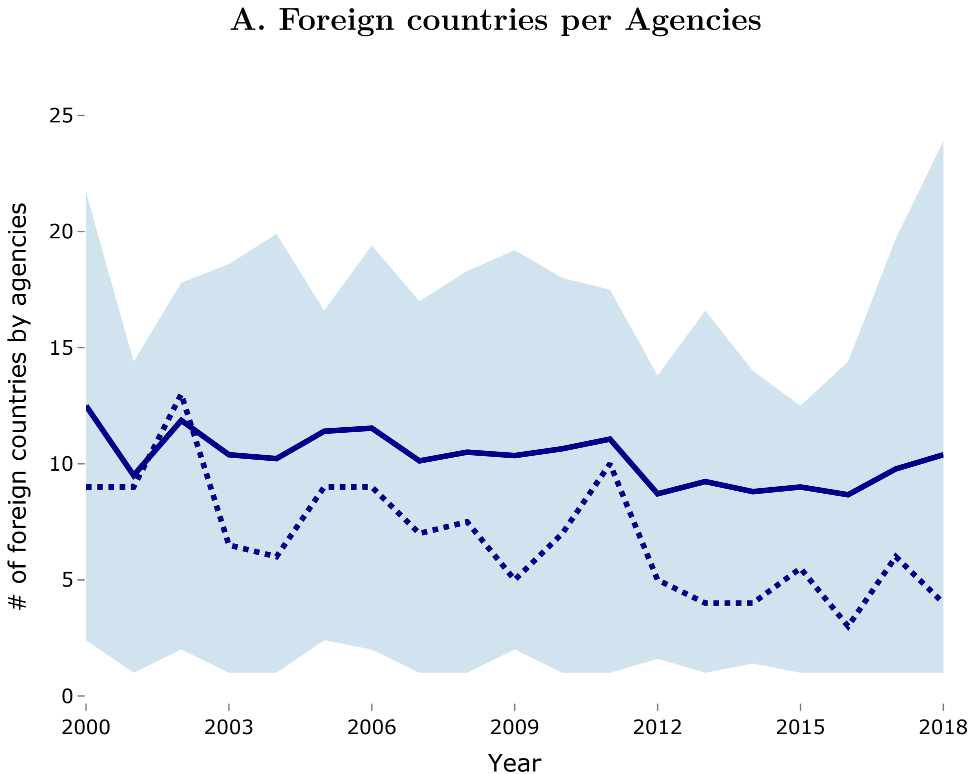


How many legislators do foreign country representatives meet with?

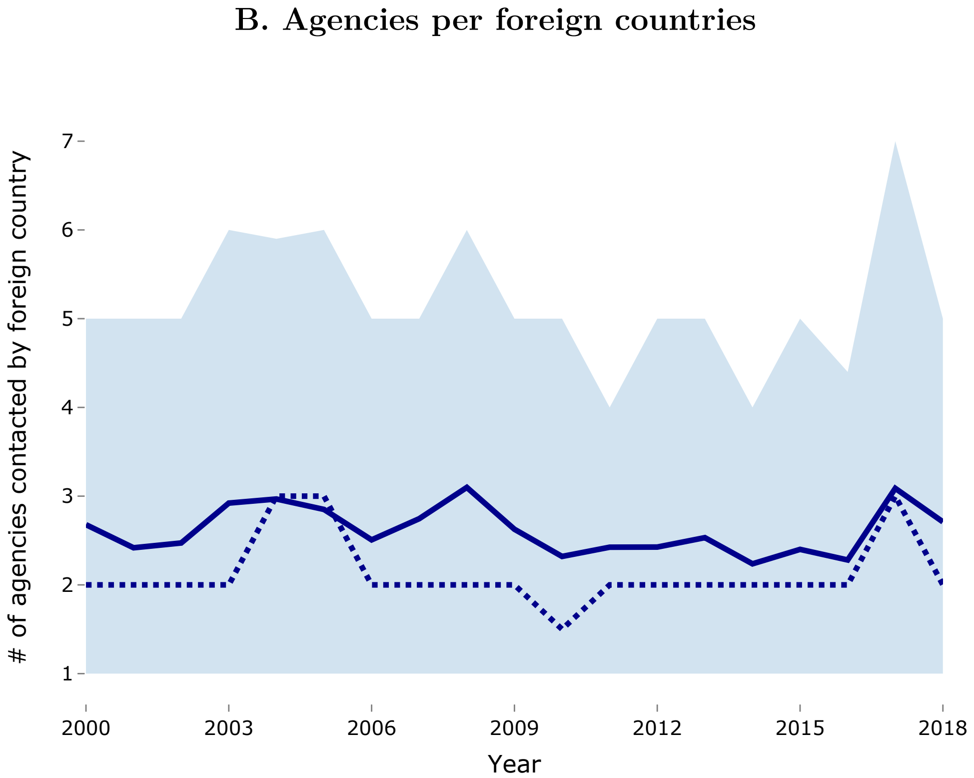
A. Legislators per foreign countries



How many foreign countries per Agency?

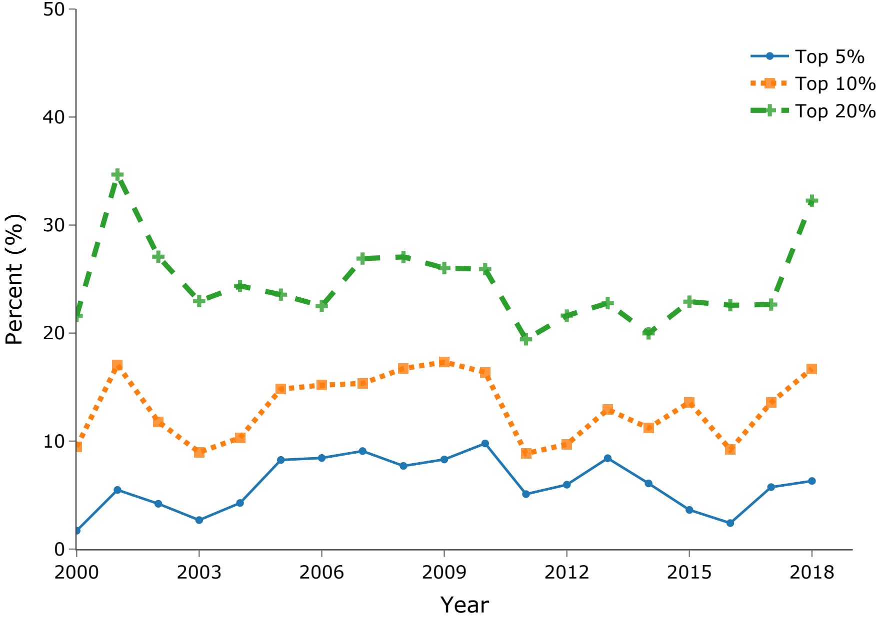


How many Agencies per foreign country?



Who do they meet with?

2) Foreign countries meet disproportionately with most effective legislators.



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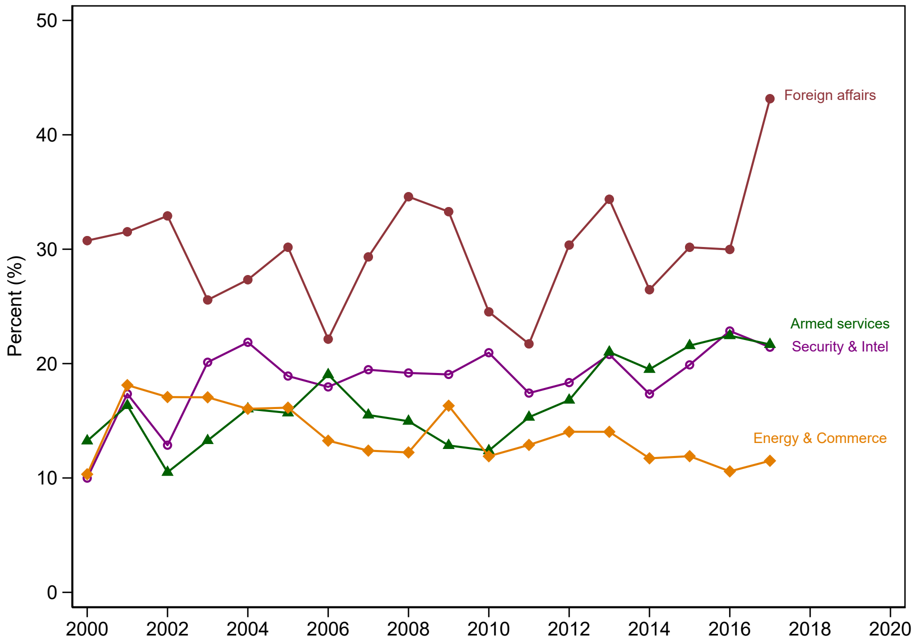
Who do they meet with?

3) Percentage of meetings with members of a given committee.



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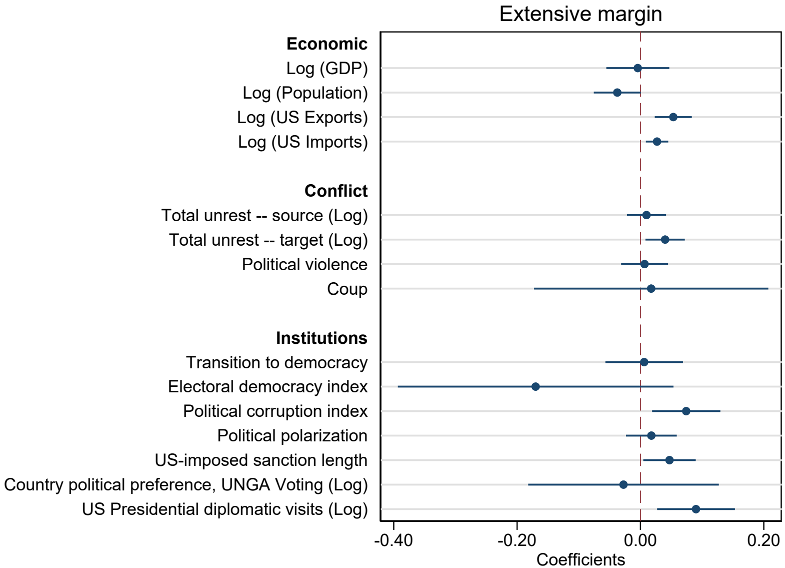
Country characteristics and meetings

Unit of analysis is foreign country-year

$$\mathbb{1}(Meetings > 0)_{ft} = \delta_t + \beta \text{Country characteristics}_{ft-1} + \epsilon_{ft}$$



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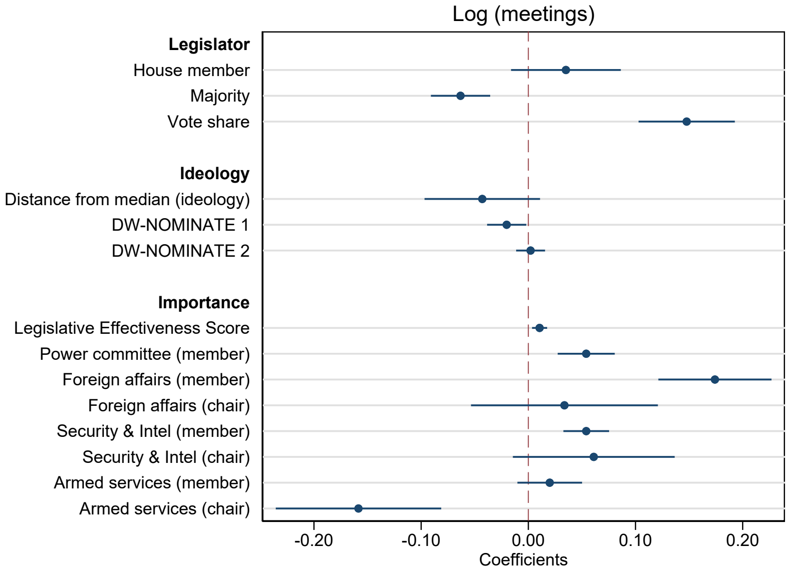
Legislator characteristics and meetings

Unit of analysis is legislator-foreign country-year

$$\log(\text{Meetings})_{lfy} = \gamma_{fy} + \beta \text{Legislator characteristics}_{ly} + \epsilon_{lfy}$$



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Are meetings related to legislative activity on tariff policies?

We obtained 469 bills over the period 2000-2018. At the legislator-commitee-foreign country-year-month level

$$\mathbb{1}\{\text{Action} > 0\}_{lcfym} = \alpha_l + \alpha_{cy} + \alpha_{fy} + \beta \text{Meetings}_{lfym} + \epsilon_{lcfym} \quad (1)$$

Dependent variable:	$100 \times \mathbb{1}_{\text{Sponsoring Favourable bill}>0}$		$100 \times \mathbb{1}_{\text{Committee Action}>0}$	
	(1)	(2)	(3)	(4)
Meetings_t	0.050**	0.047**	0.044*	0.031*
	(0.020)	(0.018)	(0.023)	(0.017)
Legislator fixed effects	Yes	Yes	Yes	Yes
Country × year fixed effects	Yes	Yes	Yes	Yes
Committee × year fixed effects	No	No	Yes	Yes
R^2	0.01	0.02	0.05	0.06
Observations	4,045,632	1,258,152	2,098,380	1,045,493

Column (2) and (4) focus on the sub-sample of effective legislators, defined as those that are above-median LES

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Meetings with US agency employees

1. Foreign countries whose representatives meet with US Agency employees receive on average US$ 175 million in foreign aid, which is 0.47% of the country's GDP
2. Countries meeting with US Agency employees receive a larger fraction of total aid (compared to a uniform distribution of aid)
   - There are on average 160 foreign countries meeting with USAID per year
   - We capture only 11 of them meeting with USAID
   - If aid was uniformly distributed we would see these countries accounting for about 6.8% of aid
   - Instead these countries receive on average over 20% of aid allocated by USAID
3. Three agencies—the Department of State, the Department of Defense, and USAID—implemented around 90% of all foreign aid and collectively account for approximately 67% of all meetings with executive agencies.

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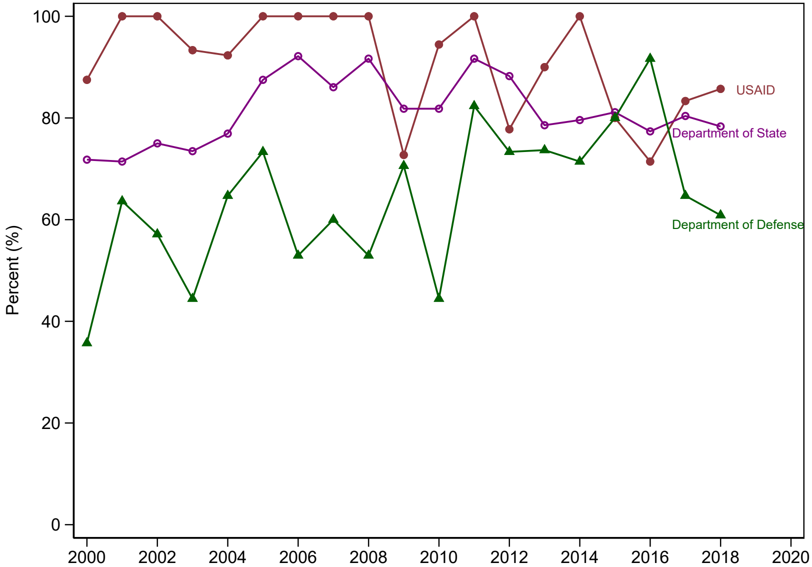
A closer look at the 3 agencies

Fraction of countries that meet with a specific US agency and receive aid from the same US agency in the same year (relative to total number of countries that meet with the same agency in the same year)



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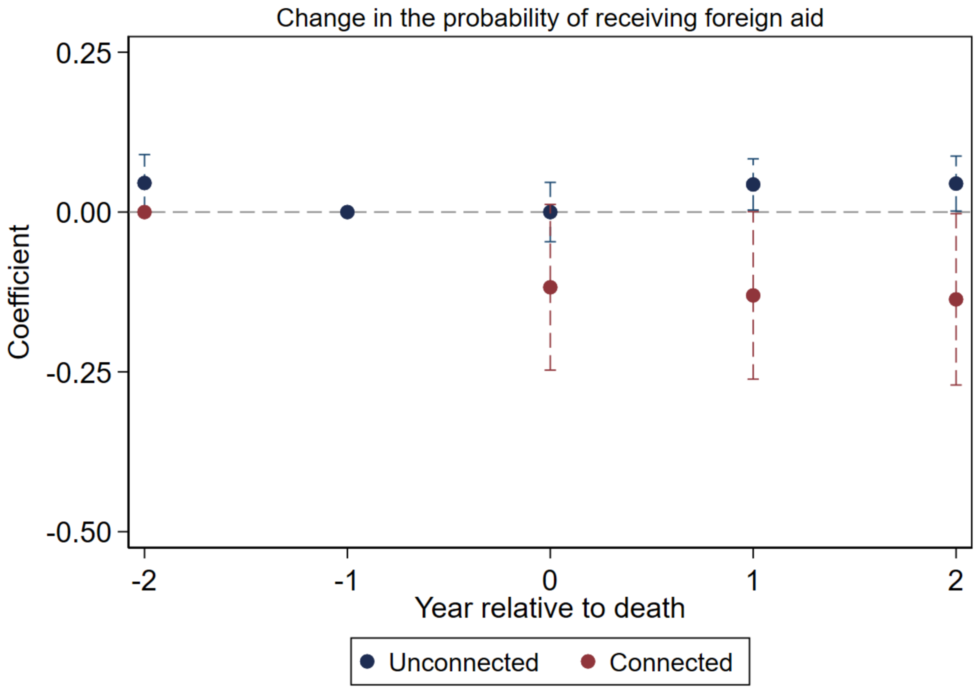
Difference-in-differences Foreign Aid – extensive margin



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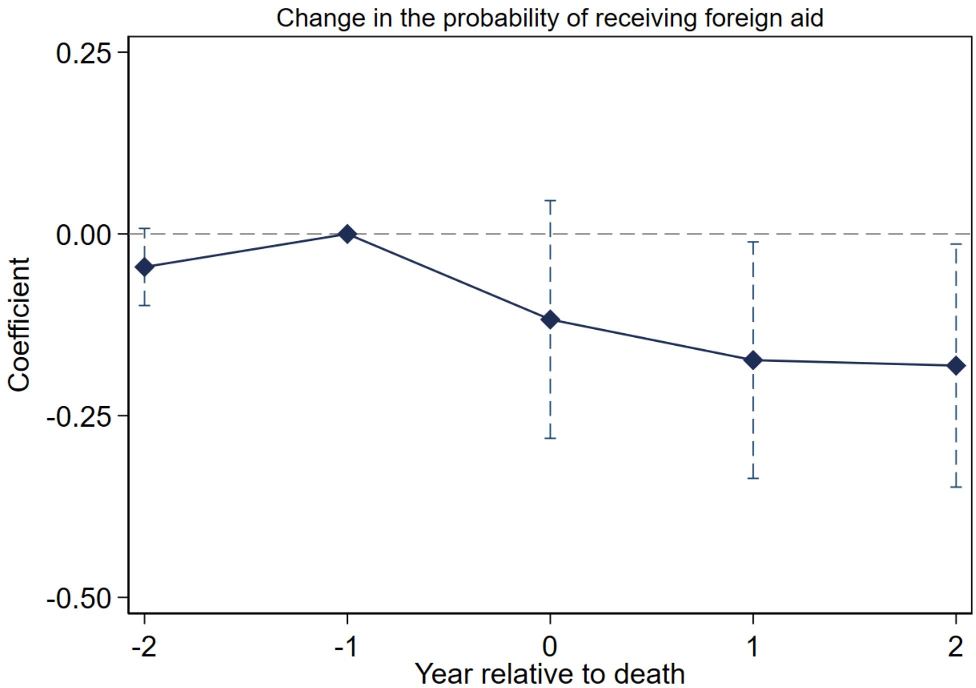
Difference-in-differences Foreign Aid – extensive margin



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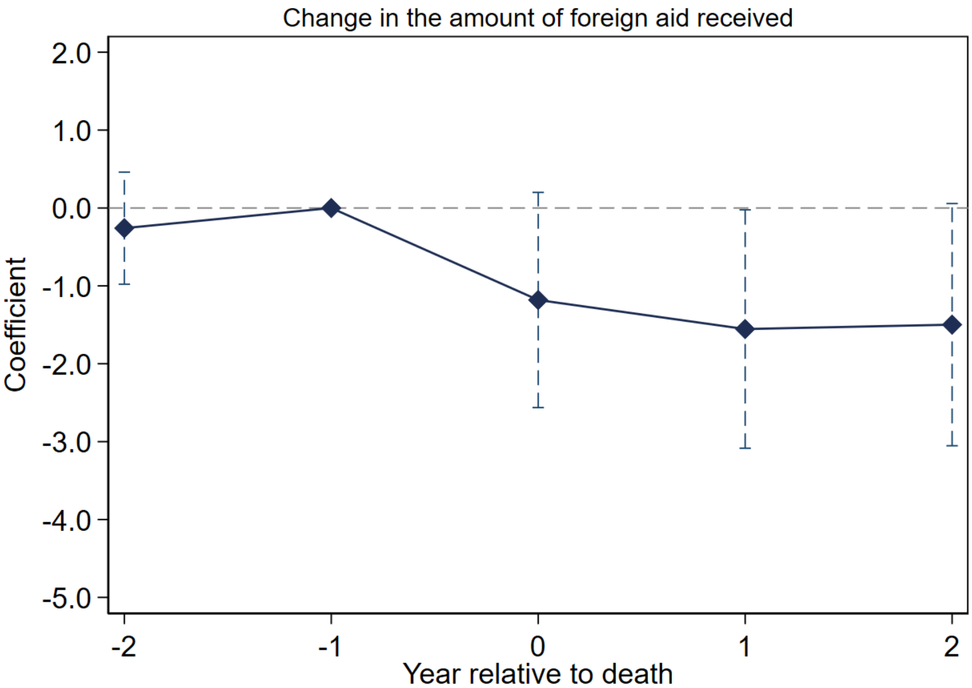
Difference-in-differences Foreign Aid – intensive margin



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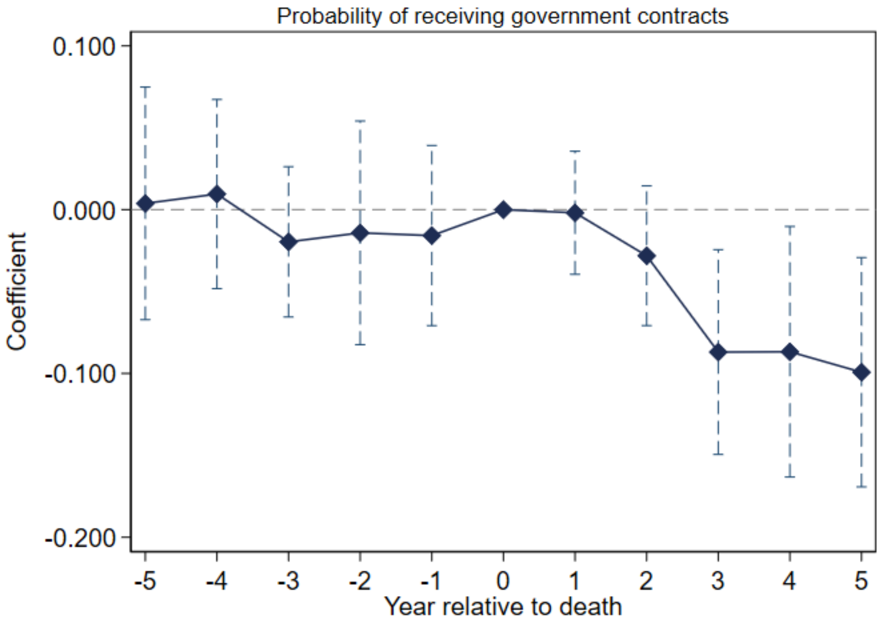
Difference-in-differences government contracts – extensive margin



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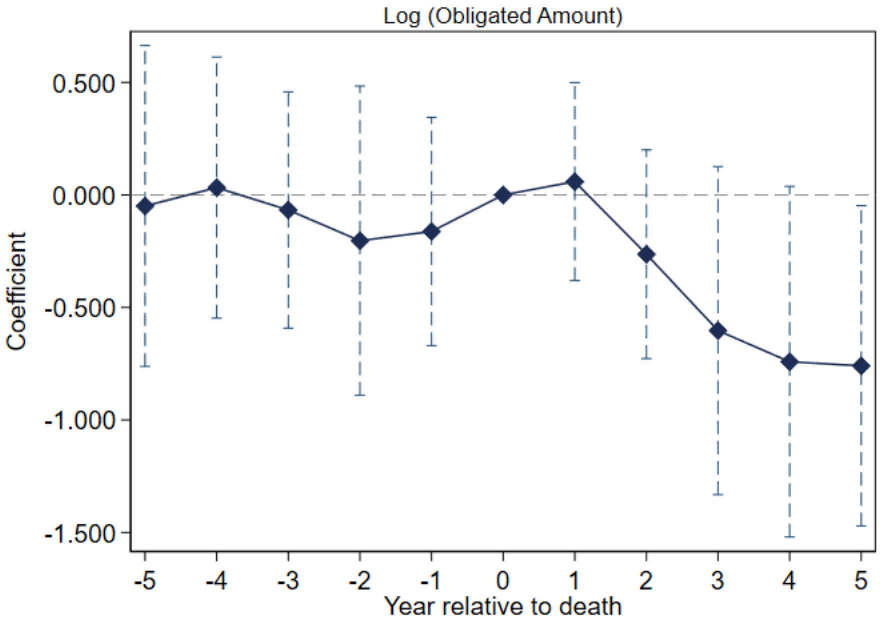
Difference-in-differences government contracts – intensive margin



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Does ideology matter for meetings?

- Scholars have shown how party ideology
  - influences voting in the US Congress on funding for international financial institutions
  - how it affects preferences regarding foreign aid by the US
- The influence of government ideology on international relations and foreign policy is well-established with respect to the United States (Potrafke,2009)

Two alternative hypotheses:

1. Foreign country representatives may find it easier to meet with US legislators of a ideology close to the government they represent
2. Foreign country representatives may meet more with legislators who are against a given country (influencing them is more important)

Foreign Aid – Panel estimation

- For legislators we aggregate aid and meetings at the foreign country - year:

  L.1 Extensive margin

$$\mathbb{1}\{\text{Foreign aid} > 0\}_{ft} = \gamma_f + \delta_t + \beta \text{Meetings}_{ft} + \eta \text{Controls}_{ft} + \epsilon_{ft}$$

  L.2 Intensive margin

$$\text{Foreign aid}_{ft} = \gamma_f + \delta_t + \beta \text{Meetings}_{ft} + \eta \text{Controls}_{ft} + \epsilon_{ft}$$

- For Agencies we aggregate aid and meetings at the agency - foreign country - year :

  A.1 Extensive margin

$$\mathbb{1}\{\text{Foreign aid} > 0\}_{aft} = \gamma_f + \delta_{at} + \beta \text{Meetings}_{aft} + \eta \text{Controls}_{ft} + \epsilon_{aft}$$

  A.2 Intensive margin

$$\text{Foreign aid}_{aft} = \gamma_f + \delta_{at} + \beta \text{Meetings}_{aft} + \eta \text{Controls}_{ft} + \epsilon_{aft}$$

where a is the agency, f the foreign country, and t is the year.

Foreign Aid – Panel estimation – Legislators

Dependent variable:	$\mathbb{1}_{Aid>0}$		$\log(1 + \text{Aid amount}_t)$	
	(1)	(2)	(3)	(4)
$\log(1 + \text{Meetings}_t)$	0.005	0.002	0.124**	0.095*
	(0.004)	(0.004)	(0.057)	(0.056)
Controls	No	Yes	No	Yes
Country fixed effects	Yes	Yes	Yes	Yes
Year fixed effects	Yes	Yes	Yes	Yes
R^2	0.69	0.35	0.83	0.70
Observations	2,698	2,097	2,698	2,097

Difference-in-differences foreign aid – extensive margin Difference-in-differences foreign aid – intensive margin

Foreign Aid – Panel estimation – Agencies

Dependent variable:	$\mathbb{1}_{Aid>0}$		$\log(1 + \text{Aid amount}_t)$	
	(1)	(2)	(3)	(4)
$\log(1 + \text{Meetings}_t)$	0.014***	0.011*	0.300***	0.236**
	(0.005)	(0.006)	(0.099)	(0.106)
Controls	No	Yes	No	Yes
Agency × year fixed effects	Yes	Yes	Yes	Yes
Country fixed effects	Yes	Yes	Yes	Yes
R^2	0.61	0.64	0.66	0.70
Observations	18,373	14,256	18,288	14,192

Costs to US Legislators – Timing of re-election

$$Exit_{it} = h_{i0} \times \exp(\beta_1 \text{Meetings}_{it} + \beta_2 \text{Controls}_{it} + \epsilon_{it})$$

where i identifies the legislator and t is the election year

Characteristics	None	Legislator	Ideology	Importance	All
	(1)	(2)	(3)	(4)	(5)
Meetings_t	-0.006	-0.011	-0.008	-0.008	-0.011
	(0.010)	(0.010)	(0.010)	(0.010)	(0.010)
Controls	No	Yes	Yes	Yes	Yes
State fixed effects	Yes	Yes	Yes	Yes	Yes
Observations	2,658	2,627	2,658	2,658	2,627

Benefits to US Legislators – Privately-sponsored trips

Dependent variable:	$100 \times \mathbb{1}_{Trip>0}$		# days	
	(1)	(2)	(3)	(4)
Meetings_t	0.052***	0.046***	0.008*	0.007*
	(0.018)	(0.017)	(0.004)	(0.004)
Controls	Yes	Yes	Yes	Yes
State × year-month fixed effects	Yes	Yes	Yes	Yes
Country fixed effects	Yes	Yes	Yes	Yes
Legislator fixed effects	No	Yes	No	Yes
R^2	0.01	0.01	0.00	0.01
Observations	2,124,840	2,124,840	2,124,840	2,124,840

Benefits to US Legislators – Registered voters

Dependent variable:	Share of registered democrats $_{t+1}$	
	Senate	House member
	(1)	(2)
Meetings$_t$	-0.055	-0.065
	(0.069)	(0.076)
Democrat	18.228***	22.664***
	(1.119)	(1.010)
Meetings$_t$ × Democrat	0.443**	0.107*
	(0.169)	(0.061)
Country fixed effects	Yes	Yes
Year fixed effects	Yes	Yes
R^2	0.62	0.57
Observations	939	2,424

Foreign countries meet with lawmakers from across party lines and the ideological spectrum