

Business Diplomacy: Expanding Commercial Officers in the Foreign Service, 1960s-1980s

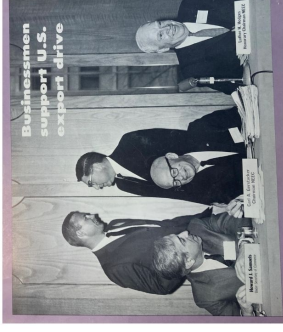
Claim

- John F. Kennedy started export expansion campaign to solve balance of payments crisis.
- Export Expansion included:
 - Liberalizing Trade Barriers
 - Liberalizing Export Credit
 - Reducing Taxes on Trade & Investment
 - Enhancing Foreign Commercial Services
- The last program shifted diplomatic labor from "Political" to "Commercial" contributing to a broader transition from the Cold War to Neoliberal Globalization.



1961

- Commercial Specialist Program.
- Officers "provide energetic leadership to American industry in a drive to develop export markets" (1).
- Connect with industry and government leaders in foreign countries to identify trade opportunities for U.S. businessmen.
- Recruit from private sector & university programs in Business Administration and Foreign Trade.



1967

- National Export Expansion Council: executives of multinationals guide government export expansion.
- Committee on Export Promotion report on foreign commercial officers: enhanced training, recruitment and funding needed.
- Endorsed President Lyndon Johnson's continued support for Commercial Specialist Program.



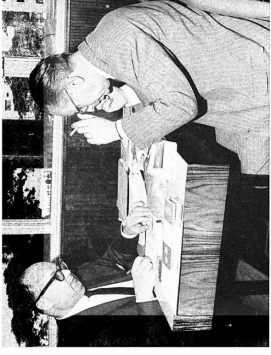
1973

- Nixon makes National Export Expansion Council a Presidential council.
- Commercial conference, Rio de Janeiro: State Dept. now has more "Commercial" than "Political" officers.
- "Importance of economic / commercial work is growing, as the detente with the USSR and China permits us to pay more attention to E/C matters, and as our E/C problems (such as the pressures on our balance of payments, and the energy crisis) intensify" (5)



1972

- Comptroller reports significant improvements required for Foreign Commercial officers.
- Commercial officers increasingly important in world shaped by international businesses.
- Need more business training & recruiting from private sector, instead of political.
- "State advises that they now hire people specifically for economic / commercial positions; in the past, selections emphasized political careers" (4).



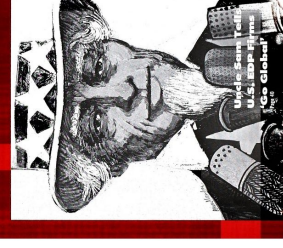
1969

- Ambassador Charles Elbrick to American Chamber of Commerce in Brazil: Richard Nixon's foreign policy promotes U.S. business abroad.
- Foreign Commercial Officers identified as a key tool for transferring technology, expertise, and capital to Brazil.



1979

- Trade Reorganization Act: new International Trade Administration with Foreign Commercial Service in Commerce Dept.
- 1893 hearing: now half of commercial officers from private sector and training led by consultants. New corps of multinational executives guide U.S. businessmen overseas.
- "There has been a major thrust to involve people who had private sector experience in the field" (6).



1971

- Export Expansion Act: Improve Commercial Foreign Service.
- Commerce Secretary, Maurice Stans, "if we are going into an era of peace... then our international relationships are going to become highly competitive, and...economic" (2).
- Bruce Rohrbacher, McKinsey & Co. "Our posture overseas has emphasized political and security matters. It has tended to downgrade the economic. We believe what is called for now is much greater emphasis on the economic" (3).

Conclusion

- 1961 Commercial Specialist Program to 1979 International Trade Administration, U.S. government reformed Foreign Service to promote U.S. industry abroad.
- Reoriented officers from "political" to "Commercial" activities.
- Executives of multinationals guided shift in partnership with Commerce Dept.
- Change carried out through business training and private sector recruitment.
- Foreign Commercial Officer's rise shows how U.S. business interests and foreign policy objectives became increasingly entangled as the Cold War transitioned to Neoliberal Globalization.