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UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

INTERNATIONAL DIVISION

MAR 23 1971



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Dear Mr. Lee:

In our continuing review of United States efforts to expand exports, we recently came upon a situation with potential for increasing sales of American products.

The Department of Agriculture, Foreign Agricultural Service (USDA, FAS) over the years has sponsored numerous foreign executive teams to the United States for the purpose of providing technical assistance in the management, processing, and uses of agricultural commodities. These visiting teams from a number of countries generally consist of upper level executives such as managing directors, technical services officials, purchasing agents, and others in decision-making capacities. Our limited review of this program disclosed that the potential for exposing these officials to the advantages of American equipment in improving their processing operations have not been fully explored.

An indication of this untapped potential was disclosed to our representatives during a survey of trade activities in Taiwan. While there, the American Soybean Institute representative briefed them on their program of sending soybean industry officials to the United States to learn of latest developments in the industry. The results, we were told, were technically gratifying but the operational improvements later accomplished were with third country equipment. The local USDA and Soybean Institute representatives agreed that there was potential for selling American equipment to these foreign visitors if the appropriate manufacturers could be programmed into the visitors' itinerary.

Further exploration at USDA and Commerce disclosed that while Commerce's International Liaison Trade Opportunities staff has a Foreign Business Visitors Services program, the FAS sponsored teams have not been covered by this program. We found general agreement among Agriculture and Commerce officials that with proper coordination, American manufacturers and suppliers could profitably program seminars and demonstrations of their products with a view to satisfying the visitors' needs.

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We reviewed some of the trip reports on file at USDA and noted that many visitors have expressed interest in being shown equipment that might be used in improving their operations. In some cases, contact was made with specific equipment manufacturers, but in other cases a secondary source had to be arranged. It seems to us that if visits to prime equipment suppliers could be arranged before-hand, or catalogs and other sales material collected from potential suppliers, the sales of American products would be materially enhanced.

The schedule below illustrates the upward trend of foreign businessmen who have visited the United States under FAS sponsorship:

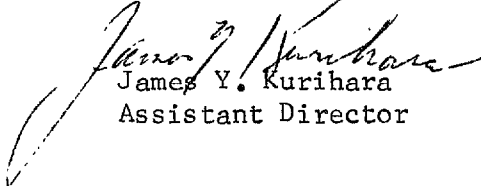
<u>Fiscal Year</u>	<u>No. of Visitors</u>	<u>FAS Funds</u>
1968	76	\$ 70,044
1969	149	169,314
1970	181	247,131

We plan to further extend our review to include visitors sponsored by other government agencies as well as private business groups that represent potential customers for American products. However, rather than await the results of these reviews, we thought you might wish to explore the FAS program with USDA officials.

A copy of this letter is being sent to the Administrator, Foreign Agricultural Service.

We would be pleased to learn your views on this matter and the course of action contemplated, if any.

Sincerely,


James Y. Kurihara
Assistant Director

Mr. William D. Lee, Deputy Assistant Secretary
Bureau of Domestic Commerce
Department of Commerce