

## FAX TRANSMISSION

Attention: PRODUCER-VISIT TO CHINA.	Date: JAN. 20/98
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DEAR PRODUCER OF "A VISIT TO CHINA".

I HAVE BEEN TRAVELLING TO AND WORKING IN CHINA SINCE 1993 AND WATCHING LAST NIGH SHOW ON CHINA BROUGHT BACK INTERESTING MEMORIES. THE TWO COMMENTATORS WERE OBJECTIVE, BUT I SENSED A BIT OF AN ATTITUDE TOWARD THE REGIME IN BEIJING FROM MR. XIAO QIANG. ONE HAS TO REALIZE THAT THE CHINESE LEADERSHIP HAS A JUST ABOUT IMPOSSIBLE TASK TO CARE FOR 1.2 BILLION PEOPLE IN A COUNTRY WHICH IS STILL 75% UNDERDEVELOPED IN TERMS OF NUMBERS AND AREA. WHILE THE WESTERN CITIES ARE BOOMING, THERE IS A LOT OF POVERTY IN THE REST OF THE COUNTRY. CREDIT HAS TO BE GIVEN WHEN YOU CONSIDER THAT CHINA HAS 20% OF THE WORLDS POPOLATION AND ONLY 8% OF THE WORLDS AGRACULTURAL LAND, AND AT THIS TIME CAN FEED ALL THEIR PEOPLE. I HAVE SEEN A BIG IMPROVEMENT IN THEIR LIVING STANDARDS FROM 1993 TO TODAY.

I WOULD LIKE TO SHARE A FEW OF MY OBSERVATIONS AND THOUGHTS ABOUT CHINA. I AM THE SITE REPRESENTATIVE OF A US. MACHINE MANUFACTURER ,AND RESPONSIBLE FOR THE INSTALLATION, START UP, ACCEPTANCE TESTING, TRAINING, SCHEDULES, COST, PERSONNAL ECT. OF THE EQUIPMENT SOLD TO CHINA. THE PROJECTS RANGED FROM .5 MILLION TO 60 MILLION PLUS DOLLARS. MY POSITION INVOLVED EXTENSIVE NEGOTIATION WITH ALL LEVEL OF MANAGMENT. THE CHINESE ARE VERY CLEVER NEGOTIATORS AND MASTERS AT PROCASTINATION. PATIENCE WHICH WE DON'T HAVE, ARE A VIRTUE OF CHINESE LIFE, AND THE FOREVER FACE SAVING ASPECT. ACHIEVING A CONTRACT IN CHINA IS VERY DIFFICULT AND EXPENSIVE. ANYTHING WE HAVE TO OFFER THE JAPANESE AND EUROPEANS HAVE AS WELL, AND THE CHINESE HAVE A GREAT TALENT TO EXPLOIT THIS SITUATION TO THE FULLE



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IT IS MONEY IN THE BANK FOR ANY US. COMPANY WANTING TO DO BUSINESS IN CHINA, TO HAVE THEIR NEGOTIATORS WELL PREPARED AND KNOWING WHAT THEY ARE UP AGAINST. ANY TERMS AND CONDITIONS MISSED DURING NEGOTIATIONS WILL BE COSTLY AT THE SITE OF INSTALLATION. ANY LOOPHOLE THE CHINESE WILL TAKE FULL ADVANTAGE, AND TIME DELAYS AND EQUIPMENT REPAIR IS VERY EXPENSIVE. WHERE WE HAVE ONE ENGINEER EMPLOYED THEY WILL HAVE FIVE, AND GOOD ONCE. ALL IN ALL, IT IS A DIFFERENT BALLGAME. OUR LAST PROJECT TOOK ME TO BOASHAN, NEAR SHANGHAI, FOR A PERIOD OF TEN WEEKS. SHANGHAI IS A VERY IMPRESSIVE, BUT EXPENSIVE CITY. NOV. 3/97 WE STROLLED OVER A MAIN STREET "NANJING LU" WHICH WAS BLOCKED FROM TRAFFIC. A BEAUTIFULL EVENING 75 DEGREES, NO TRAFFIC BUT HUNDRES OF PEOPLE AROUND US, HAPPY AND HAVING A GOOD TIME. WE MADE OUR WAY TO THE SHANGHAI CENTER AND ENJOYED SPARE RIBS AT "TONY ROMAS". NEXT DAY I LEFT SHANGHAI AT 10 IN THE MORNING, AND ARRIVED IN CLEVELAND AT 8 PM. THE AIRPORT LIMO TOOK ME TO DOWNTOWN CLEVELAND AND NOT A SOUL ON THE STREETS. WHAT A DIFFERENCE! I SPENT A YEAR IN BAOJIE, NEAR XIAN, A CITY IN THE MOUNTAINS, I HAVE NEVER SEEN SO MANY SMILING FACES AND HAPPY AND CONTENT PEOPLE. ON WEEKENDS WE HIKE INTO THE MOUNTAINS AND ALWAYS CAME UPON A VILLAGE, AND WERE THE SENSATION OF THE WEEK. WE ALWAYS ENDED UP IN ONE OF THEIR HOUSES AND HAD TO HAVE TEA AND NOODLES. ALWAYS A HAPPY EVENT. ON DEC. 5/95 OUR COMPANY HOSTED A "SANTA CLAUS" PARTY FOR 105 CHILDREN AGE 3&4 OF COMPANY EMPLOYEES. THE CHILDREN DANCED, PRESENTED A PLAY, EVEN A FASHION SHOW WITH HOME MADE FASHIONS. A VERY REWARDING EXPERIENCE, NOT ONLY FOR THE CHILDREN AND A GREAT P.R. JOB. TOO MANY TOURIST SEE CHINA ONLY BETWEEN SHERATONS AND POINTS OF INTEREST. THIS IS NOT THE REAL CHINA. BEFORE A 4 LANE HIGHWAY WAS BUILD BETWEEN XIAN AND BAOJIE, WE HAD TO TRAVEL A 2 LANE ROAD THROUGH MANY VILLAGES AND FIELDS. IT ALWAYS WAS A 4 HOUR SPECTACULAR DRIVE. MORE THAN ONCE WE ENDED UP IN THE DITCH TO AVOID A COLLISION, AND WE STOPPED AT MANY MARKETS WHERE FRESH AND GOOD FRUIT AND VEGIES WERE FORSALE. MIND YOU, WHEN WE ARRIVED THE PRICES WENT UP. WE DID NOT MIND, SEEING HOW HARD THE PEOPLE HAD TO WORK FOR LIVING. WE HAVE SEEN MODERN COMBINES, BUT ALSO PEOPLE PULLING A PLOW. FOR THANKSGIVING WE HAD ASKED A LOCAL RESTAURANT TO SERVE US A TURKEY, NOT KNOWING WHAT WE GOT INTO. AFTER ENJOING A GOOD TURKEY SUPPER, THE BILL SEEM TO BE EXTREMELY HIGH, REASON: IN THE PROVINCE OF SHANXHY THERE WERE ONLY 12 TURKEYS, 6 FOR THE SHERATON IN XIAN AND 6 FOR THE HYATT HOTEL. WITHOUT ANY DOUBT WE HAD THE MOST EXPENSIVE TURKEY FOR THE YEAR 150. DOLLARS. A TURKEY I WANT FORGET, NOR MY BOSS. WELL, HAD WE ALLGONE TO XIAN, IT WOULD HAVE COST EVEN MORE. CHINA IS TIMELESS AND OFTEN HARD FOR US TO UNDERSTAND. MANAGMENT ON SITE IS OFTEN MORE INTERESTED TO KEEP US LONGER THAN TO TAKE OVER THE OPERATION. UNDERSTANDABLE, THE FEAR OF FAILURE AND LOOSING FACE. BUT FOR US EVERY DAY IS MONEY SPENT. AT THIS TIME THE BUSINESS OPPORTUNITIES ARE GREAT IN CHINA, BUT ONE HAS TO BE PREPARED. FOR EXAMPLE: CHINESE GOVERMENT PREDICTS, THAT BY THE YEAR 2020 EVERY CHINESE FAMILY WILL OWN A CAR, AT THIS TIME THEIR HIGHWAY SYSTEM WILL ONLY ALLOW THEM TO PARK THOSE CARS, NEVER MIND DRIVING. I OFTEN WONDER IN OUR CASE, WHAT CAME FIRST, THE HIGHWAYS OR HENRY FORD. JUST TO MAKE A POINT OF THE GREAT POTENTIAL THERE IS, WAITING FOR US. THANKS AGAIN FOR THE GREAT PROGRAM. I AM LOOKING FORWARD TO THE NEXT ONE. SINCE I COULD NOT GET THROUGH BY PHONE ON MONDAY NIGHT THIS LETTER IS SECOND BEST. HOPE YOU WILL ENJOY IT.