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Jim Rohwer from Norman Macrae

Here is the memo you asked for from me

(1) I repeat my relief that your Asia Inc will be a fortnightly from the start. A business monthly arrives to the business reader at an irregular weekday, so he does not have a set time to read it. The material does not cover the timespan nearest his thoughts. Hence a monthly is not read. I could give you dread examples on this, but they're redundant. Three other administrative thoughts before turning to subject matter.

(2) As you are to be both Editor and Publisher, my memories turn back to how Geoffrey Crowther at The Econ handled that monstrous double task. GC rightly liked to write the first article most weeks, because he wanted to set the tone of his two main themes (abroad, rudely extreme resistance to Stalin, so that "when Stalin's death makes the world a cleaner place" his successor may shy off some policies; at home, insistence that Attlee Britain's fault was maintaining overdemand, and then trying by rationing and controls to sit on it). You will have different but also sensitive messages for post July Asia, and may often need to write the pulpit article (easier now you can fax it even while away) to keep the tone. GC's other editorial habit was to hold over more (even good) articles than subsequent editors did, often taking them home at weekends partly to rewrite.

He ran the management side by having two joint managers (called the joints) who at one time sat in the same room, later in rooms with communicating doors. He met them on Fridays, and gave management decisions verbally, often saying (eg) "write a memo saying what's going wrong with our ad-collecting in the US". Once a month he had them answer (sometimes separately) a very specific quiz on how each sector of cost control, ads, circulation etc was going - a superb monthly financial reporting system.

In the very brief period when he thought I was the youngster who might be his successor, he told me "whenever you are writing in this job, it should be for the paper. Give management decisions verbally, getting joints to write the memos even if you eventually sign them". I still think this worked better than when management and editorial went at The Econ on separate floors, at least until such a brilliant as Marjorie Scardino came along. But, from your spell as Executive Editor, you will know better than I.

(3) For your relations with Sondhi, I recommend you read - which anyway is fun - Andrew Neil's new autobiography "Full Disclosure"; also call up on the Internet Andrew Knight's review of it in Punch (Nov 9-15) in which AK maintains that Murdoch was usually righter than AN. Maybe give the book as an Xmas present to Sondhi. If Sondhi's ventures succeed - and this should be your whole purpose - there will be huge attacks on him, as there are on any successful media tycoon. The attacks on any zillionaire who has risen through a tough Thai background are likely to be even more spectacular than those on Murdoch - to judge from British sideline comments on the wars between your apparent local Hong Kong press tycoons called Ma and Kuok. Bob Maxwell met attacks by threatening libel suits every time, a reign of terror which ended by blinding his eyes to actions by which he was losing all friends. The best response proved to be Murdoch's rather amusing lectures, right in the camps of the enemy, concentrating on the future, not defences of the past. See Neil's autobiography.

(4) As a short-term management point, I urge that people writing for the April/May dry runs are told to write pieces that can be used post-July, <sup>doubtless</sup> maybe with first sentences <sup>later</sup> changed (easier in these word-processor days). Both Goldsmith's Now and the recently revived Punch tried to make their dry

runs topical. so they had no fall-backs when some of the articles in the real issues were bad. That's why Now soon folded, and the editor of new Punah has already been sacked. Never underestimate the importance of an overmatter column to fall back on..

I turn now to suggestuons for special features.

Indices

Fortune has gained through quotes about the Fortune 100, the FT from the Footsie. I thnk Asia Inc should try for some Indices which get quoted.

(5) I'd suggest something like an Asia Inc Import Index, showing which clases of imports have increased most from the west into the five richest East Asian countries in the past running six months, and a table showing what the markets could be if the second-rank Malaysias etc (let alone eventually the massive Chinas, Indonesias, Indias) start showing the same percentage increases. You could mark the tables with arrows (rather like the arrows in horseracing form showing apparent handicap snips), but I'd also single out "this month's fastest increasing <sup>import</sup> prospect, suggests Asia Inc", so as to get quoted worldwide.

(6) A periodical table showing the most profitable foreign-owned or joint-venture- owned businesses in your areas in the latest financial year. For China these tables could distinguish between (eg) moves of manufacturing jobs north from Hong Kong, new moves there (via computer) of lower grade clerical and other service jobs (these will eventually move from worldwide), Japanese and South Korean FDI in China (more capital intense?), foreigners taking over state-run plants, foreign money into TVEs. If the last two or other rather exotic sorts prove very profitable, perhaps set up an attached-to-Asia-Inc management consultancy (like an EIU) advising on

how and where to put money into these (which also, though don't say it, means privately advising where the local authorities are most bureaucratic or corrupt).

(7)Some sort of Asia Inc export opportunities index. At least one chain of American women's clothing <sup>retailer</sup> ~~stores~~/computer-counts its daily sales at all its branches. That computer print-out becomes the cutting order for its manufacturers in SE Asia next day. Lots of western retail chains will turn that way. Sports clubs like Manchester United profit by over £2m a season selling team strips ( they deliberately have three separate strips for home and away ), in which many of their weekly 25,000 or so supporters tribally clad themselves- and some are made in SE Asia. You might possibly work out such an exports opportunities list from your end, and sell ads to small Asian workshops quoting prices, which (rather than printing these ads in Asia Inc) you will promise to fax to relevant western chains of stores, sports clubs etc. Frank Field tells me Labour will stop the ramp <sup>that</sup> /British <sup>L</sup> school uniforms have to be bought from some shop in cahoots with the headmistress (my granddaughters' overpriced uniforms have to be bought from Peter Jones). This could open up an intriguing market.

(8)On the tables on pages 38-39 of your Asia Rising, <sup>the various</sup> figures like the population, % of pop under age 25, life expectancy, adult literacy, total exports and imports in \$ billion are really interesting; plus % household ownership of various consumer durables. Any GNP figures should be attempted on PPP basis. I am less keen on <sup>a fortnightly edition</sup> shares prices unless (like the FT) you can get companies to pay for being included. Quickly-changing figures will soon usually be called up on businessmen's Internet computers anyway.

Surveys

Surveys

I think surveys should always be written by one person on a single theme, though you should get permission from whomever writes it to edit it yourself, saying he can remove his name if your editing annoys him. I am bluntly in favour of letting foreign papers, or even translators, putting them into pamphlets, syndicate them - provided they give credit to Asia Inc. My original Consider Japan in 1962 succeeded because it was syndicated in Yomiuri Shimbun (rather a culture shock to get letters from some of the 9m people who read them there, rather than from the 40,000 Economist readers at the time). My survey on the Coming Entrepreneurial Revolution in the 1970s had its main success on being translated into Italian, where its idea of small entrepreneurial profit centres, instead of too much middle management, was already catching on. The entrepreneurial translator, who launched the pamphlet in Italian at his university's expense, was a then unknown assistant professor of business at Bologna University called Romano Prodi; he is now prime minister of Italy, and his rise to that post has been useful. That is just the most current of many examples. Always the argument "let others syndicate this, rather than insist on big copyright fees" has proved right, in my view.

(9) Banking surveys are doubly profitable, bringing in lots of ads even when you say the banks are going mad. Your advantage in Asia Inc is that there are lots of potential banking surveys. Banking systems in China, from the govt - pinches - all Maoist days, through the ever-evolving system ever since. Banking in India, where there are those huge spreads between deposit and lending rates, but then explain the bureaucratic muddles which mean that nevertheless few banks today make profits - although in future... Banking in South Korea, Taiwan and the ASEAN countries. The present and potential

role of foreign banks in Asia. I would envisage each of these being turned into a pamphlet sellable (among others) to the swelling hundreds of thousands of students on banking courses round the world, as well as chief financial officers - and in this one case insist on doing and marketing the pamphlets yourselves, and selling ads in the textbooks which is a breakthrough needed for both students and recruiting firms. The Econ's subsidiary magazine "Chief Financial Officer" is succeeding, and expanding; I think a quarterly updated Chief Financial Officers' Brief on Asia is a venture you might launch on a small scale, perhaps initially for firms that agree to buy a bulk order of all your banking surveys for their trainees and staffs.

(10) Vietnam. There are God-knows-how-many Vietnam veterans plus immigrants in the US. An account of what has happened since the American withdrawal should have quite a market. The business point to stress is the near 90% Vietnamese adult literacy, but low level of wages :thus investment potential, especially in view of past American and French participation). My Japanese survey in 1962 had quite a readership among occupation veterans in the US. Get the first Vietnam survey syndicated as a pamphlet in the US, with ads (the Nam veterans are an ad target in the US, being predominantly 40-somethings and 50-somethings, often in leading positions). Also get somebody to translate it into French, , as their own entrepreneurial venture by some French equivalent of Romano Prodi.

(11) Other early survey subjects: Construction; the Koreas; the Overseas Chinese (very difficult? but fascinating); get Lee Kuan Yew to write a brief few-sentence foreword to a survey on almost any subject he recommends (he likes suggesting quite intelligent subjects); China's TVEs ( this is one subject where you might get several people to describe various

ones, but pull them together by explaining editorially how they differ), it is possible you could do the same sort of thing on foreign investment experience in the various parts of your area.

(12) I know there are possible ad surveys paid for by govts like a recent one in The Times called something like "Indonesia - a dragon which is a heaven for tourists", Although Private Eye attacked that with the usual growls about East Timor, I see nothing against such surveys (often more interesting than normal ad copy) - provided you do not call them by the same name as the surveys I have referred to in the last four paras. My solution would be to call the major surveys I have referred to above something like "Asia Inc Analyses", and ones which after you have read and edited do not seem to you in quite the same category something like "Asia Inc Spotlights". Then accept the ad surveys, provided they are called "advertisers' supplement" or some similar name. I have never got The Econ to agree to this, including to a hilarious ad insert ( which I think would have been that week's funniest as well as most profitable six pages) written by Kim Il Sung.

Leading articles

I now turn to lead articles which should usually be written by you, or by staff which (when edited by you) satisfy you. When the suggestions include articles that might be written by me, please do feel free to edit them, to get the nuance you want.

(13) I rejoice in the theme that, from probably the birth of man to circa 1500, China led the world in science, technology, civilisation and real incomes. Then setback in most of 1500-2000, partly because internal politicians and warlords (also western colonialism ) set progress askew.

Now in 1978-97 the post-Deng reforms have brought to 1.2 billion poor people probably the fastest improvement in human welfare anywhere <sup>in</sup> ~~at~~ any ~~two decades ever~~ <sup>time</sup>. (This is why 1997 is the right time for Hong Kong to move out of colonialism into the Chinese motherland. Europe looks like being disadvantaged because ever faster scientific and commercial change leaves it with many special interests who demand protection against that change; hence the paralysis of much of western democracy by interest groups and welfare statism, bringing partial breakdown of the western family (which may be irrevocable) and of some aspects of civil society and law and order (which, pray God, aren't).

In the 3,000-5,000 word prediction article on "where will you get to in the next two decades?" for your July 1 issue (which I think I would now definitely like to accept to do), I suppose some thoughts of this kind would be my ideal opening two paras. But, as they are ideas largely pinched from your Asia Rising, I had better check whether that would also be your opening clarion call in that issue.

(14) Of today's 3.3 billion Asians, just over half are aged under 25. Only 28% of Germans are . Continental Europe has hopelessly mismanaged the arrangement of pensions schemes, which is liable to make its welfare statism for the ageing (a growing voting group) ever worse. I love the bit on Asian devotion to family in Asia Rising which says (from memory) "parents cultivate their children's abilities, wives stay with lousy husbands, and children remain at their parents' beck and call because Asians are too scared of the cruel world to break easily with the only institution that offers them protection if things go wrong". I am very willing to write articles saying this is Asia's huge advantage over Europe and America, because <sup>new</sup> evidence on this grows all the time.

(15) Among other articles I would happily write are :medium-term forecasts of exchange rates (the Chinese currency will certainly rise). Education because schools differ so much in quality, I think competitive private education transmitted by computer { burrowing into each child's learning pattern } will become a cheap and hugely successful mass industry, which

*order of our goods worldwide by credit card after seeing TV screens; why Asia must dash into making such offers*  
Asia might be more willing to import than state education establishments in the west. Article on need to avoid being overrun by lawyers. Why 19th

century Britain and America prospered through accelerating the growth of a middle class, while both colonialism and Russian communism failed . Now East Asia happily creating the world's biggest-ever middle class, including in communist China. Articles on what's going wrong with Japan (though I'd like to delay this) ,South Korea and India.

(16) In general , one of your problems with me will probably be that the article I want to write at any particular moment will vary according to whether my information on some subject has become up to date - which tends to be unpredictable in advance. At my age, I don't have problems with people editing my copy, especially you since our views reasonably coincide. I always used to say on The Economist, " one can judge what particular policy decisions or indecisions will add to or subtract from GDP. One can't say which will add to or subtract from happiness. A business journal must always be quite specific on the first sort of issue; On the second sort, it can be relaxed , but try to advise its readers how they themselves can make most money if progress is temporarily delayed by politicians' mistakes". This might be a useful rule for you in commentating on China in these next several sensitive years.

Hope this has been reasonable and a help.

*To Jim Raker from Norman M...  
Original pg. 10 of memo which shows  
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