

THE ACADEMY OF ELECTRICAL CONTRACTING

Paper presented by
Milton Staub, Fellow

"The Ugly American Contractor"
An Analysis of Overseas Operations

April, 1976

FOREWORD

THE INVENTIVE GENIUS, TECHNOLOGY, KNOW-HOW, EFFICIENCY, SYSTEMS, METHODS, AND PRODUCTION CAPABILITY, HAS MADE POSSIBLE FOR UNITED STATES INDUSTRY AND COMMERCE TO ESTABLISH A COMPETITIVE POSITION IN THE WORLD MARKET. SUCH SUCCESS WAS ACHIEVED IN SPITE OF THE COMPARATIVELY HIGHER EARNING POWER OF AMERICAN LABOR.

BECAUSE OF THE EFFECTIVENESS OF U.S. INGENUITY, OUR PRODUCTS ARE DISTRIBUTED AND MARKETED THROUGHOUT THE WORLD. IN YOUR TRAVELS YOU WILL SEE, EVEN IN THE SO CALLED THIRD WORLD COUNTRIES, ADVERTISEMENTS FOR COCA COLA, GILLETTE PRODUCTS, RCA, FORD, CHEVROLET AND OTHER AMERICAN AUTOMOBILES, KELLOGG BREAKFAST FOODS, XEROX DUPLICATORS, KODAK FILM AND CAMERAS, IBM AND OTHER BUSINESS MACHINES, AND, IN FACT ALL OF THE LEADING COMPANIES IN THE FIELDS OF SOAP, LAUNDRY AND CLEANSING MATERIALS, PAPER PRODUCTS, ELECTRONIC EQUIPMENT, CONVEYOR SYSTEMS, STEEL FABRICATION EQUIPMENT, AND INDUSTRIAL EFFICIENCY SYSTEMS.

THE MANUFACTURING AND PRODUCTIVE CAPACITY OF U.S. INDUSTRY IS SO HUGE; THE IMPROVEMENTS ON EXISTING PRODUCTS AND THE CREATION OF NEW PRODUCTS SO GREAT; THE DISTRIBUTION AND MARKETING EFFORT SO INGENIOUS AND EFFECTIVE; THE COMETITIVE FORMULA SO ENTRENCHED; AND THE PROFIT MOTIVE SO BASIC; SO THAT NEW MARKETS HAD TO BE CREATED TO CONSUME THE OVER-PRODUCTION CAPACITY TO KEEP OUR ECONOMY AT A PEAK LEVEL.

IT IS APPARENT THAT U.S. INDUSTRY HAD, LONG AGO, REALIZED THE POTENTIAL OF FOREIGN MARKETS AND PROCEEDED TO DEVELOP THE REQUIRED MARKETING EFFORT TO CREATE FOREIGN DEMAND AND ACCEPTANCE OF ITS PRODUCTS. THIS WAS ACCOMPLISHED ONLY BY, FIRST, ANALYZING THE NATIVE COMPETITIVE PRODUCTS, THE NEEDS AND DESIRES OF THE NATIVE POPULATION, THE PRICE AREA IN WHICH

U.S. PRODUCTS COULD BE SOLD, THE TYPE AND AMOUNT OF ADVERTISING AND PROMOTION NECESSARY TO INDUCE PEOPLE TO BUY AN IMPORTED PRODUCT IN PREFERENCE TO THE NATIVE PRODUCT, AND INTRODUCING NEW, DIFFERENT AND MORE EFFICIENT ITEMS CONTINUOUSLY CREATED BY SUPERIOR RESEARCH AND DEVELOPMENT IN WHICH U.S. IS FAR SUPERIOR TO THE REST OF THE WORLD. OF THE TOTAL 1,400 BILLION DOLLAR GROSS NATIONAL PRODUCT APPROXIMATELY 140 BILLION OR 10% IS REPRESENTED BY EXPORTS, SERIOUSLY CONSIDERED THIS IS AN UNUSUAL AND REMARKABLE PERFORMANCE BY U.S. INDUSTRY AND COMMERCE. THE PERCENTAGE IS NOT GREAT, BUT 140 BILLION DOLLARS IS A LOT OF DOLLARS.

BUT WHAT ABOUT U.S. CONTRACTORS?

OF THE TOP 400 CONTRACTORS LISTED IN ENGINEERING NEWS RECORD IT APPEARS THAT ONLY ABOUT 20 MADE A CONCERTED EFFORT TO DEVELOP FOREIGN BUSINESS. HOWEVER FROM 370 MILLION IN 1970 THEY INCREASED TO \$6.1 BILLION IN 1973 AND \$11.7 BILLION IN 1974. THIS IS STILL RELATIVELY A SMALL TOTAL TO THE \$75.6 BILLION IN 1974 AND THE FUTURE, WITH A \$90 BILLION BACKLOG IN ARAB COUNTRIES ALONE SHOULD CREATE A HUGE MARKET.

THE MAJOR CONTRACTORS SHOW THE FOLLOWING COMPARISONS OF FOREIGN WORK IN MILLIONS OF DOLLARS:

	<u>1973</u>	<u>1974</u>
BROWN & ROOT	\$ 632.8	\$ 1,108.8
FLUOR CORP.	652.0	834.2
BECHTEL CORP.	634.0	459.0
LUMMUS CO.	420.0	1,690.0
KAISER ENGINEERS	9.7	417.3
HUST ENGINEERING	0.0	685.0
RAY MC DERMOTT	0.0	750.0
MORRISON-KNUDSEN	365.0	427.4
GUY F. ATKINSON	172.7	475.5
FOSTER WHEELER CORP.	374.0	476.0
BADGER CORP.	243.0	548.0
ARTHUR G. MC KEE	185.3	459.0
PARSONS, INC.	413.8	355.6
CHEMICAL CONST. CO.	343.0	300.0
J.F. PRITCHARD & CO.	127.0	258.0
LITWIN CO.	0.0	214.9

SANTA FE INTERNATIONAL	133.3	163.7
H.C. PRICE CO.	36.0	100.0
AUSTIN CO.	191.8	224.6
DILLINGHAM CORP.	75.4	117.6

PLEASE NOTE THAT MOST OF THE ABOVE LIST ARE CONTRACTORS IN HIGHLY SPECIALIZED AND "HEAVY" CONSTRUCTION FIELDS.

SECTION 1 - THE MARKET

U.S. INDUSTRY IS NOT ALONE IN ^S INNOVATIVE GENIUS. AMERICAN CONTRACTORS IN EVERY FIELD HAVE DEVELOPED METHODS, TOOLS AND EQUIPMENT, AND MATERIALS TO CREATE EFFICIENCIES IN OPERATION TO OFFSET THE HIGH WAGE RATES PAID TO U.S. LABOR. THEY ARE IMAGINATIVE AND RESOURCEFUL AND HAVE THE PROFIT MOTIVE.

THE PROJECTS MOST SUSCEPTIBLE FOR BIDDING BY U.S. CONTRACTORS ARE THOSE THAT REQUIRE HIGHLY TECHNICAL SKILLS, SUCH AS POWER PLANS USING NUCLEAR ^S ENERGY, HYDRO, COAL, OIL, OR LIGHTING; CHEMICAL PLANTS WITH HIGHLY SOPHISTICATED DESIGN BY U.S. ENGINEERS; HIGH EFFICIENCY INDUSTRIAL PLANTS, INSTALLATION OF MATERIAL HANDLING AND CONVEYOR SYSTEMS, HIGH VOLTAGE POWER LINES; MICRO-WAVE AND AUTOMATIC COMMUNICATION SYSTEMS; HIGH RISE BUILDINGS, DAMS, SUBWAY SYSTEMS, TUNNELS, AND, IN FACT, ALL TYPES OF PROJECTS THAT REQUIRE THE MOVEMENT AND INSTALLATION OF HUGE MASSES OF MATERIALS AND EQUIPMENT.

THE EXPERIENCE OF U.S. CONTRACTORS IS SO FAR ADVANCED IN COMPARISON TO THE REST OF THE WORLD THAT IN ORDER TO COPY OUR SYSTEMS THEY MUST FIRST RETAIN CONTRACTORS WITH THE KNOW-HOW TO BUILD COMPARABLE PROJECTS NEEDED IN OTHER SECTIONS OF THE WORLD.

IN ADDITION TO THE KNOWLEDGE OF U.S. CONTRACTORS DESIRED AND NEEDED BY OTHER COUNTRIES, THE AGENCY FOR INTERNATIONAL DEVELOPMENT IS THE GREATEST SOURCE OF FUNDS GIVEN TO MANY UNDER-DEVELOPED COUNTRIES THROUGH THE GENEROSITY OF OUR GOVERNMENT. MOST SUCH FUNDS DISTRIBUTED CONTAIN THE "BUY AMERICAN"

CLAUSE ALTHOUGH THEY MAY ALSO SPECIFY THE PRODUCTS OF OTHER FRIENDLY, NON-IRON CURTAIN COUNTRIES. THE AMOUNT OF "AID" FUNDS ALLOCATED TO A LIST OF APPROXIMATELY 13 COUNTRIES OVER THE PAST FIVE YEARS EXCEEDS 11 BILLION DOLLARS, THE LARGEST PORTION OF WHICH IS ALLOCATED TO PROJECTS TO BE PERFORMED BY CONTRACTORS.

THE OTHER LARGE CONTRACTING MARKET IS U.S. INDUSTRY WHICH BUILD BRANCH OPERATIONS THROUGHOUT THE WORLD.

IN MY ANALYSIS OF WHY CONTRACTORS DO NOT DEVELOP THIS HUGE MARKET I FIND:

- A. LACK AMBITION.
- B. FEAR OF UNKNOWN, STRANGE OR DIFFERENT CONDITIONS.
- C. LANGUAGE BARRIER.
- D. MEAGER KNOWLEDGE OF HANDLING FOREIGN CURRENCY.
- E. PROBLEMS OF JOB CONTROL FAR FROM HOME BASE.

YET, NONE OF THESE REASONS WOULD DETER ANY LARGE CONTRACTOR FROM BIDDING AND PERFORMING A CONTRACT OUTSIDE OF ITS IMMEDIATE OPERATING AREA.

SECTION 2 - PREPARATION OF BID

VISIT THE SITE. OBTAIN ALL POSSIBLE INFORMATION WHICH MAY BE USEFUL IN THE PERFORMANCE OF THE PROJECT, INCLUDING:

- A. AVAILABILITY, SKILL AND COST OF NATIVE LABOR.
- B. POSSIBILITY OF SUB-CONTRACTING SUCH OPERATIONS AS TRANSPORTATION OF PERSONNEL AND MATERIALS BY AIR, LAND, RAIL AND WATER (THIS IS IMPORTANT AS COMMERCIAL AIR TRANSPORTATION MAY NOT BE AVAILABLE AND CHARTER IS EXPENSIVE; ROADS MAY BE RUGGED OR IMPASSABLE FOR MONTHS; RAILROAD TUNNELS MAY BE TOO NARROW OR TOO LOW FOR LARGE EQUIPMENT).
- C. SEASONAL WEATHER CONDITIONS AND HOW PROGRESS WILL BE AFFECTED.
- D. AVAILABILITY OF SERVICE PARTS FOR U.S. EQUIPMENT (IT MAY BE ADVISABLE TO PURCHASE NATIVE EQUIPMENT OR EQUIPMENT IMPORTED FROM A NEARBY COUNTRY WITH WHOM IMPORT AGREEMENTS ARE IN EFFECT).

- E. COST OF RETAINING A NATIVE AGENT OR ATTORNEY TO HANDLE CONTACT WITH OFFICIALS, LAWS AND OTHER LOCAL PROBLEMS.
- F. TIME, COST AND METHOD OF CLEARING IMPORTED U.S. MATERIALS AND EQUIPMENT.
- G. TIME, COST AND METHOD OF DELIVERY OF MATERIAL AND EQUIPMENT TO JOB SITE.
- H. POSSIBILITY OF SITE BECOMING AN AREA OF WAR AND AGGRESSION.
- I. SUPPORT FROM NATIVE GOVERNMENT TO COMPLETE PROJECT.
- J. SUPPORT FROM U.S. GOVERNMENT TO COMPLETE PROJECT.
- K. COST AND AVAILABILITY OF PERSONNEL HOUSING, OFFICE SPACE, WAREHOUSING, AND SUBSISTENCE.
- L. NATIVE TAXES THAT MAY BE IMPOSED OR AVAILABLE RELIEF.
- M. AVAILABILITY OF SPECIFIED MATERIALS FROM NEARER COUNTRIES THAN THE U.S. AND SPECIFICATIONS TO PERMIT THEIR USE.
- N. AVAILABILITY OF ENGLISH SPEAKING NATIVES FOR INTERPRETERS AND OFFICE HELP.

ON A FOREIGN PROJECT ALL OF THESE ITEMS BECOME DOUBLY IMPORTANT, AS ANY ERROR IN THE ESTIMATE CAN BE EXTREMELY COSTLY, CREATE EXPENSIVE DELAYS NOT ONLY IN THE INCREASED OVERHEAD BECAUSE OF LONGER JOB DURATION BUT ALSO THE COST OF AMERICAN PERSONNEL AND THEIR SUBSISTENCE UNTIL THE CAUSE OF THE DELAY IS REMEDIED.

IN THE PREPARATION OF A BID ON ANY MAJOR PROJECT, STANDARD PROCEDURE IS THE ADDITION OF A GUESSTIMATED PERCENT FOR CONTINGENCIES.

HOWEVER, THE ESTIMATE FOR A FOREIGN PROJECT MUST BE MORE MINUTELY DETAILED SO THAT THE CONTINGENCY FACTOR IS ACTUALLY SOME UNKNOWN ITEM AT TIME OF BIDDING.

THE DETAILED ESTIMATE SHOULD NOT ONLY INCLUDE THE REGULAR ITEMS IN U.S.

BIDDING BUT SHOULD ALSO INCLUDE THE FOLLOWING:

- A. U.S. PERSONNEL: PROJECT MANAGER,
CHIEF ENGINEER,
ASSISTANT ENGINEERS,
FINANCIAL AND OFFICE MANAGER,
INSTRUCTOR FOR TRAINING NATIVE
PERSONNEL,
SPECIAL SKILL PERSONNEL.
- B. NATIVE PERSONNEL: SUPERINTENDENT,
FOREMEN,
EQUIPMENT OPERATORS,
TRUCK AND AUTO DRIVERS,
OFFICE PERSONNEL,
INTERPRETERS,
PUBLIC RELATIONS MANAGER.
- C. TRANSPORTATION TO SITE AND RETURN FOR ALL U.S. PERSONNEL.
- D. SUBSISTENCE AT SITE FOR U.S. PERSONNEL.
- E. INSURANCE: WORKMENS COMPENSATION (U.S. AND NATIVES),
LIABILITY INSURANCE OF EVERY TYPE,
FIRE AND EXTENDED COVERAGE ON SITE,
RIOT AND CIVIL DISTURBANCE,
WAR RISK, SABOTAGE AND AGGRESSION,
TRANSPORTATION OF TOOLS AND MATERIALS,
HOLD-UP, ROBBERY AND BURGLARY.
- F. RENTAL OF SITE OFFICES AND WAREHOUSES.
- G. SELECT A U.S. FORWARDING AGENT AND NATIVE RECEIVER OF MATERIALS
AND EQUIPMENT.
- H. CUSTOMS CHARGES, IF APPLICABLE.
- I. BONUSES TO U.S. PERSONNEL FOR REMAINING ON JOB FOR DURATION.
- J. MEDICAL EXPENSE AND POSSIBLE TRANSPORTATION TO U.S. FOR ILL PERSONNEL.
- K. COST OF PACKAGING AND SHIPPING TOOLS, EQUIPMENT AND MATERIALS TO
JOB.
- L. ESTIMATE NO SALVAGE OF SURPLUS MATERIALS AND VERY LITTLE SALVAGE
VALUE OF EQUIPMENT AND TOOLS AS DISPOSITION WILL BE LESS EXPENSIVE
THAN RETURN TRANSPORTATION COST.
- M. COMMUNICATION WITH HOME OFFICE.

- N. TRAVEL EXPENSE FOR PERIODIC VISITS OF HOME OFFICE PERSONNEL.
- O. HOME OFFICE COSTS FOR PURCHASING AND SUPERVISORY FUNCTIONS.
- P. FIELD OFFICE OVERHEAD.
- Q. MAKE READY COST.

AS EVIDENCED BY THE ABOVE DETAIL THE PREPARATION OF THE BID IS NOT ONLY IMPORTANT BUT EXPENSIVE, BUT THE REWARDS OF SUCCESSFUL FOREIGN PROJECTS ARE FAR GREATER THAN COMPARABLE U.S. PROJECTS. ONE REASON MAY BE THAT DUE TO THE MINUTELY DETAILED ESTIMATE THERE IS LESS CHANCE THAT OMISSIONS OR ERRORS WILL CUT INTO THE PROFIT MARGIN, WHICH GENERALLY IS HIGHER THAN U.S. PROJECTS. IN ADDITION, THE TRAINING AND DEVELOPMENT OF NATIVE LABOR COULD PRODUCE ADDITIONAL UNANTICIPATED PROFIT.

COMPARISON MUST BE MADE BETWEEN THE PURCHASE AND USE OF EXPENSIVE LABOR SAVING EQUIPMENT WITH THE OVER-ABUNDANCE AND VERY LOW COST OF NATIVE LABOR. EXAMINE NATIVE PROJECTS IN PROGRESS AND LEARN HOW NATIVE CONTRACTORS PERFORM SIMILAR TASKS THAT ARE PART OF YOUR PROJECT. STUDY THE LIVING CONDITIONS SO THAT YOU MAY NOT MISREPRESENT THEM TO U.S. PERSONNEL.

AND DO A LOT OF THINKING.

SECTION 3 - OPERATION

YOU ARE THE SUCCESSFUL BIDDER. NOW COMES THE PLANNING FOR THE PROJECT. THE ESTIMATE IS SO DETAILED THAT THE REQUIREMENTS ARE LISTED AND THE SPECIFIC ITEMS OF PERSONNEL, TOOLS, EQUIPMENT, AND MATERIALS MUST BE CHARTED AND FILLED.

PERSONNEL - U.S.

MANNING A FOREIGN JOB WITH THE REQUIRED U.S. PERSONNEL IS THE MOST IMPORTANT BASIC FUNCTION. THE SELECTION OF A PROJECT MANAGER, SUPERINTENDENT, CHIEF ENGINEER, OFFICE MANAGER, AND HIGH-SKILL MECHANICS WILL PAY OFF HANDSOMELY

IN PROGRESS AND PROFIT.

HERE IS A LIST OF DO'S AND DON'TS IN CHOOSING YOUR STAFF:

- A. DO CHOOSE PERSONNEL WHO ARE NOW OR HAVE BEEN IN YOUR EMPLOY.
- B. DO CHOOSE PERSONNEL WHOSE MORALS ARE AVERAGE OR BETTER.
- C. DO CHOOSE PERSONNEL WITH EXPERIENCE ON THIS TYPE OF PROJECT.
- D. DO CHOOSE PERSONNEL WHO CAN IMPROVISE WHEN THE EXACT TOOL OR MATERIAL IS UNAVAILABLE.
- E. DO CHOOSE PERSONNEL WHO CAN TRAIN NATIVES IN THE USE OF U.S. TOOLS AND METHODS.
- F. DO CHOOSE PERSONNEL WHO HAVE NO HEALTH, FAMILY OR PERSONAL PROBLEMS.
- G. DO CHOOSE PERSONNEL IN WHOM YOU HAVE COMPLETE TRUST AND CONFIDENCE.

AND THE DON'TS:

- A. DON'T PERMIT PERSONNEL TO DRAW MORE MONEY THAN IS ESSENTIAL FOR REASONABLE LIVING AND OUT OF POCKET EXPENSE.
- B. DON'T FAIL TO MAKE ARRANGEMENTS TO TRANSMIT AN AMPLE PORTION OF THE EMPLOYEES' EARNINGS TO HIS FAMILY.
- C. DON'T AGREE TO PAY ANY PORTION OF THE BONUS UNLESS PERSONNEL REMAINS ON JOB FOR ITS DURATION.
- D. DON'T ASSUME ANY RESPONSIBILITY IF PERSONNEL VIOLATE THE LAWS OR CUSTOMS OF THE JOB COUNTRY.
- E. DON'T AGREE TO PROVIDE LIVING CONDITIONS THAT WOULD NOT BE COMMENSURATE AND COMPARABLE TO THE U.S.

PERSONNEL - NATIVE

THE COST OF NATIVE PERSONNEL IN MOST COUNTRIES IS SO LOW THAT IT IS OF NO GREAT IMPORTANCE. GENERALLY, LABOR IS PLENTIFUL AND EXCELLENT PRODUCTION CAN BE GENERATED BY SELECTING A FEW FROM THE MANY AVAILABLE WHO CAN BE TRAINED AND WILLING TO WORK. WHEREAS AN ERROR OF 50,000 MANHOURS IN U.S. MAY MEAN A MILLION DOLLARS, A SIMILAR ERROR IN NATIVE LABOR MAY MEAN NO MORE THAN \$15,000 TO \$20,000.

IN MOST COUNTRIES WOMEN (EVEN PREGNANT) AS WELL AS MEN ARE PLENTIFUL FOR WORK AND IN SPITE OF THEIR LOW EARNING POWER SUCH WORK PROVIDES A MEANS OF LIVELIHOOD, ALTHOUGH IN AMERICAN EYES IT MAY BE MEAGER.

TRAINING SCHOOLS TO INSTRUCT NATIVES IN THE USE OF THE SIMPLEST U.S. TOOLS IS IMPERATIVE BUT SUCH TRAINING CAN DEVELOP GOOD MECHANICS WHICH ADDS TO PROFIT. ONCE HE ACQUIRES THE SKILL TO USE A TOOL HE BECOMES PROUD OF IT AND HIS CO-WORKERS WILL REQUEST TRAINING AND EVENTUALLY A GOOD NATIVE WORK FORCE IS ESTABLISHED.

TOOLS AND EQUIPMENT

IN THE ASSIGNMENT OF TOOLS AND EQUIPMENT TO THE PROJECT, NOT ONLY ITS COST IS CONSIDERED BUT ALSO THE PACKING AND SHIPPING COST AND EVEN THE COST OF SHIPPING IT BACK OR DISPOSING IT WITH NO SALVAGE. THE COST AND MAINTENANCE AND OPERATION OF EQUIPMENT MUST BE COMPARED WITH THE LOW COST LABOR TO PERFORM THE SAME WORK. ASSIGN PLENTY OF HAND TOOLS AS NATIVES ARE QUICKLY ADAPTED TO THEIR USE.

TRUCKS AND AUTOS MAY BE AVAILABLE AT THE SITE, AND IF THEY ARE, YOU ARE ASSURED OF PARTS AND SERVICE TO KEEP THEM IN OPERATION.

MATERIALS

SPECIFICATIONS USUALLY HAVE THE "BUY AMERICAN" CLAUSE BUT THEY INCLUDE NATIVE MATERIALS OR FROM AREAS FRIENDLY TO THE JOBSITE COUNTRY. SUCH MATERIALS MAY BE LOWER IN COST AND CERTAINLY LESS EXPENSIVE IN DELIVERY TO THE SITE. THIS ALSO CAN PRODUCE LIBERAL PROFITS OVER ESTIMATED COST.

SECTION 4 - STATE OF MIND

THE OLD SAYING "WHEN IN ROME - DO AS THE ROMANS DO" SEEMS TO BE A CLICHE- A TRITE SAYING, BUT UPON ANALYSIS, IT BECOMES A HARD NOSE TRUTH AND AN ESSENTIAL FACT IN OFFSHORE OPERATIONS.

HOW MANY TIMES HAVE YOU BEEN IRKED IN HEARING THE STATEMENT "THIS IS THE WAY WE HAVE BEEN DOING IT FOR YEARS"? IN THE U.S. THIS TYPE OF THINKING IS BAD ENOUGH BUT IN FOREIGN OPERATIONS IT IS IMPOSSIBLE.

THE GREATEST SINGLE FAULT OF AMERICANS ON FOREIGN SOIL IS THAT THEY CONTINUE TO THINK AS AMERICANS; ACT AS THEY DO AT HOME; DEMAND STEAK AND POTATOES AS IF NO OTHER FOOD IS SUITABLE; MOCK THE NATIVES BECAUSE "THEY ARE SO STUPID THEY CAN'T EVEN SPEAK ENGLISH"; LAUGH AT HIS SEEMINGLY INEFFICIENT METHOD OF PERFORMING THE SIMPLEST TASK; DERIDE HIM FOR NOT HAVING THE MOST ORDINARY TOOLS OF HIS TRADE; SPEAKING AND LAUGHING LOUDLY AND DISPLAYING HIS WEALTH BY CLOTHES AND ACTIONS.

HE IS NOW THE "UGLY AMERICAN CONTRACTOR"

HE CONTINUES BY FEELING SORRY FOR THE NATIVE FOR HIS MEAGER AND PATCHED CLOTHING; LACK OF SHOES; HIS HUMBLE AND UNFURNISHED DWELLING; HIS NAKED CHILDREN; HIS SCANTY MEALS; HIS PREGNANT WIFE WORKING AT HIS SIDE. HE RIDICULES THE NATIVES' INABILITY TO MASTER THE USE OF A WHEELBARROW; A CONCRETE BUGGY OR EVEN A PAIR OF PLIERS. HE SNICKERS WHEN A NATIVE SAWS WOOD PUSHING THE SAW AWAY FROM HIM INSTEAD OF PULLING TOWARD HIM, AND HE

LAUGHS WHEN HE LOOKS AT BAMBOO SCAFFOLDING TIED TOGETHER WITH TOUGH GRASS.

HE IS AGAIN THE "UGLY AMERICAN CONTRACTOR"

THE NATIVES OF FOREIGN COUNTRIES NEED NO SYMPATHY OR RIDICULE, AND IN FACT, RESENT IT. THE AVERAGE AMERICAN THINKS ON THE BASIS OF U.S. LIFE AND U.S. ECONOMY, AND HE FAILS TO REALIZE OR UNDERSTAND THAT OTHER PEOPLE CAN EXIST, BE SATISFIED, CONTENT, AND PRODUCTIVE IN THEIR OWN WAY AND WITH THE CONDITIONS AVAILABLE TO THEM. THE AMERICAN WONDERS HOW THE NATIVE AND HIS FAMILY CAN LIVE IN HOVEL-LIKE HOMES, WITH NO APPLIANCES, NO CONVENIENCES AND NO AMBITION TO BETTER HIMSELF. HE, THEREFORE WANTS TO BRING OTHERS UP TO HIS LEVEL. HE HAS A TENDENCY TO IMPROVE ANYTHING AND EVERYTHING THAT SEEMS SUB-NORMAL TO HIM, EVEN WHEN COMPARED TO U.S. MINIMUM STANDARDS.

THIS TYPE OF THINKING IS A SERIOUS, AND UNPROFITABLE ERROR. THEY DON'T WANT TO CHANGE AND THEY RESENT ANY "UGLY AMERICAN" WHO WANTS TO CREATE CHANGE. FOR GENERATIONS THEY HAVE LIVED AND WORKED UNDER THESE CONDITIONS. ANY IMPROVEMENT WILL BE A SLOW AND LONG PROCESS. SINCE THEY LACK KNOWLEDGE OF ANYTHING DIFFERENT OR BETTER THEY DOUBT AND FEAR CHANGE. OUR GOVERNMENT STILL HAS NOT LEARNED THIS.

SO, INSTEAD OF ATTEMPTING TO CHANGE LOCAL CONDITIONS TO U.S. METHODS, CONSIDER, SERIOUSLY TO ADAPT YOUR PROJECT TO NATIVE TYPE OPERATIONS BUT USE AMERICAN INGENUITY, KNOW HOW AND EFFICIENCY IN THE NATIVE PROCESS AND GRADUALLY INTRODUCE U.S. TOOLS AND METHODS IN THE OPERATION.

THERE IS GREAT PROFIT IN FOREIGN OPERATIONS WAITING FOR THE U.S. CONTRACTOR WHO CAN TURN NATIVE LONG ENOUGH TO MAKE GOOD USE OF THE ABUNDANCE OF LOW COST LABOR AND PLAN AND ORGANIZE HIS OVERSEAS PROJECT.