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NOT DOING BUSINESS IN RUSSIA

Russian businessmen and government officials have often asked me why Americans do not do more business in Russia. Two years ago^F I answered ^{that Americans avoided business opportunities there} because of the political uncertainty and lack of a system of laws⁽ and enforcement. But now, after two years of fruitless effort, I realize American businessmen stay away for three reasons: Russian businessmen lie, lie and lie.

Russian businessmen, at least those whom I have had the unfortunate pleasure of meeting, make agreements with no intention of living up to them. Before they sign a contract, they lecture Americans on the need ^{for} to trust ~~each other~~, all the time hoping ^{at} the Americans are stupid enough to trust them. Many Russians strongly proclaim that they honor their contracts. They do not. Russian businessmen see a contract as the first step in tricking Americans out of their money, time and expertise. Often within days of the contract signing, Russians begin making excuses about why they cannot perform. They hope, of course, that an American, having committed himself psychologically to a deal, not to mention his time and money, will agree to an amendment ^{that} ~~which~~ ^{accrues to?} unjustly increases the Russian's benefit.

The Russians will use any number of lies as excuses for not performing. Many of the lies have an uncanny resemblance to the exhortations of the con men Abbott and Costello were always running ^{oh, those} into. If the first lie does not work, they invent a second, a third and so forth, hoping their American partner will tire of

proving each excuse a lie and agree to a change that puts the American at the mercy of the Russians. Most American businessmen find this type of chicanery laughably transparent, and most American businessmen are not stupid enough to risk their material well-being to the arbitrary decisions of a former Communist bureaucrat who now calls himself a businessman.

Many of the Americans I know who have explored possibilities in Russia have gone back to doing business in America and the rest of the civilized world. American business does not breed fools -- American businessmen generate 25% of the world's gross national product. But the Russians still believe Americans are stupid and can be easily tricked. They even believe it is their moral obligation to defraud us of our hard-earned prosperity. As one of my partners often says, "Although I was born at night, I was not born last night."

interesting
- Can you explain why this might be?

A typical example of Russian businessmen at work occurred when my partners and I entered into a couple of contracts with the North Caucasus Railway, headquartered in Rostov-on-Don, to modernize the Railway with computers. The first contract, the proverbial protocol of intent, contained the agreement that the Railway's top officials would pay for their travel expenses to our headquarters near Richmond, Virginia, where we would provide accommodations. We in turn would pay for our travel expenses to the Railway's ^{HEADQUARTERS} headquarters, where they would provide accommodations. Days after the signing of this protocol, the Russians emotionally proclaimed they were able only to arrange flights to Washington, D.C. ^{and} not

agreement?

to Richmond. It became clear they were simply trying to ^{pressure?} trick us into paying their airfare within the U.S. when our twenty-one-year old Russian ^{student} college ^{↑ hyped} ~~coed~~ interpreter easily made flight arrangements within the U.S. for herself. My partners ended up driving the Russians by van from Washington, D.C. to our office.

Next the Railway officials wanted us to pay their expenses to visit New York City after we completed negotiating a contract to buy computers. They said the travel and accommodation costs could be added into the contract price that would be paid after their trip to New York City. Putting aside any legal and ethical problems, we were not about to wine and dine these former Communists before they paid for the computers.

The Railway's tricks did not stop there. At our headquarters, we signed the contract with the Railway's CEO to sell them computers. We agreed on a fool proof method that provided us with the certainty of payment from an escrow account and the Russians with the certainty of receiving the computers and not, as they liked to say, a "cat in a bag." Less than one week later, the Russians whined and then blustered that a new Russian Federation decree prevented their Russian bank from wiring the contract price into the U.S. escrow account. Our Russian lawyer and the United States Department of Commerce said no such decree existed. Then the Railway's CEO told us it was actually an old Soviet Union law that prevented the wiring of the money. Once again, our Russian lawyer, the United States Department of Commerce and, this time, the Russian Trade Representative to the U.S. said they had never

~~heard~~
of such a law. Then the Railway officials told us it really was an old internal rule of the Russian Gosbank that prevented the wiring of the funds. Once again, they lied. Other laws had superseded the regulations of the defunct Gosbank. Finally, the Railway said their bank had never before wired money into an escrow account in the U.S. and would not do so now.

Meanwhile, our ^{interpreter} ~~twenty-one-year old Russian, college coed interpreter~~, on her own initiative, found a Russian bank that would wire the funds into the escrow account immediately after the money was deposited in that bank. Of course, the Railway refused this solution. They obviously wanted the computers for nothing.

Perhaps in the future ^f my partners and I should just do business with college ^{student} ~~coeds~~ rather than senior officials of state enterprises