

## Important meeting with China Vice-Minister Chen, Zutao in Beijing in reference to Panda's history

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A Panda secretary who was attending the meeting took the following notes.

### Meeting with Vice-Minister

*On February 20, 2004 General Manager Mark Tobkin, Director Wu Changlin (Daya Bay government official), and several other senior Panda staff, had the opportunity to visit with Professor Chen Zutao, Vice-Minister of the State Science and Technology Commission, and former President of CNAIC (China National Automotive Industrial Corporation), in his Beijing offices. The purpose of our visit was to discuss the possibility of utilizing Panda's factory as a major 'Automotive Exhibition Center' for all of southern China. Professor Chen is the #1 auto expert in China, and is known as the "Father of the Chinese Auto Industry". The following is a partial summary of what he conveyed to us pertaining to Panda's history.*

### Prof. Chen:

*"...The real history of Panda is not as many (including Panda personnel) have understood it to be thus far. Please allow me to briefly elaborate on the real history as witnessed from the 'inside'.*

*Nowadays, it is clear that the vision of Dr. [Sun Myung] Moon and Dr. [Bo Hi] Pak pertaining to the auto industry in China back in the late 80's, was very very correct. After the Tiananmen Square incident on June 4th, 1989, when many other multinational companies were pulling out of China, Panda moved in. This was a very insightful and brave move on the part of Panda, and it had a very great impact not only on the local area of Huizhou, but also on the entire nation.*

*During the initial stages of Panda's development, Premier Li Peng and his wife asked me to go to Guangdong Province and serve as a special consultant. My responsibility was to coordinate the establishment of the Panda project with the Guangdong Provincial government officials. I was the 1st person assigned by the Central Government to coordinate this Project. The government, together with Panda personnel, were very enthusiastic, and much money was invested during the initial stages; the largest foreign investment in China at the time. I supported this project, and appreciated Dr. Moon and Dr. Pak's vision and enthusiasm very much.*

*In 1990 I led a delegation of government officials from the local, provincial, and state levels to visit the U.S. to further investigate and research Panda's background and capabilities. From 1991 through the latter half of 1992, the political situation in China changed a lot. Some people (government officials) began to criticize the 'Opening to the outside world' Reform policies espoused by the late Deng Xiao Ping. Even Mr. Deng felt very difficult to fight against their conservative thinking.*

*It was at that time that Mr. Deng (together with his family members and his secretary) began a tour to the south of China, visiting Wuhan, Changsa, Guangzhou, and Shenzhen. His purpose was to inspire the masses about his 'Open Reform' policies, and to push these reforms forward continuously. In this way he fought against the 'conservative' establishment. He did this in order to ensure the healthy development of the Reforms.*

*With this background, you should understand that it was at this time that some senior 'conservative' officials began to oppose the Panda project. A typical example was Vice Premier Zou, Jia Hua. He visited the Panda project in 1992. While at the factory site, he remarked to Dr. Pak and other officials present (including myself), that the factory was constructed so big, and he asked how it could ever be properly utilized. He said that it could possibly be used as a 'food processing' center. This comment made me very unhappy. (Actually, the Vice-Premier and I had formerly been classmates in Russia).*

*Later, I visited another former classmate, Jiang Zemin, who had just become the Central Party Secretary. I mentioned to him that he "cannot just let the resistance to the Panda project go unchecked; we must support this project by all means." As Jiang Zemin's position was not yet totally secure, he told me that I should visit yet another former classmate of mine, Mr. Li Peng (Premier of China from 1988 to 1998 and, from 1998 to 2003, Chairman of the Standing Committee of the National People's Congress).*

*Li Peng then assigned Mr. Yuan Mu (in charge of the 'State Council Reform and Policy Dept.') to go to Guangdong Province to investigate the Panda project. Later, he sent a report to the Central Government, which was negative towards Panda. At that time some officials began to put forth the slogan, "We should be patriotic, not traitors". The report also criticized me, saying that I previously hadn't provided a 'true'*

*report on the Panda project. This was very disappointing, as my report absolutely was objective.*

*Nonetheless, it didn't surprise me that much, as Mr. Yuan also belonged to the 'conservative' camp. As a result of this report, together with the strong 'conservative' mood of some of the senior leadership, it was difficult for the Panda project to move forward. The support was not there.*

*We can objectively say that the Panda project became a sacrifice because of China's internal political disputes at the time. Nowadays, we can see clearly that China's auto market is very huge; the supply cannot meet the demand. All of the major foreign automakers have entered into the China market. The facts speak for themselves. To deny support for the Panda project was a wrong decision on the part of the Chinese government.*

*Dr. Moon and Dr. Pak should never think that this Project failed because of some shortcomings they may think they had. The fact is that the political weight against Panda was too great at the time, despite Panda's good intentions. The conditions today are much different.*

*When we talk about the Panda project, we cannot do so without considering the true historical situation. Even though the Central government denied the project, it is clear that Panda's location in Daya wan (Huizhou City) had a very great impact on the local economy. This truth cannot be denied.*

*Nowadays, many old friends and government officials still remember the situation at that time. During this past Chinese Spring Festival I visited the former Mayor of Huizhou City, Mr. Li, Jinwei (later he served on a level equal to the Vice-Governor of Guangdong Province). He mentioned that "...China is indebted to Panda, and we must still support their development.*

*For all these years I have always kept the Panda issue in my mind. Mark Tobkin has remained in China for over 14 years; this is not easy at all. He is a long time cherished friend, and I know that he and his family must have endured much to keep the Panda dream alive. I am now 76 years old, but I am still in good health and my mind is clear. When I reach 80, I shall write the history of the auto industry in China. I have volumes of information and pictures, including Panda-related pictures. One chapter shall surely contain the Panda auto story.*

*Where is Dr. Pak now? He is a man of many great causes and I respect and admire him very much. Please give my best regards to he and Dr. Moon. This is the first time that I have ever talked about Panda's history in detail, to anyone. It is because, for the most part, those key personnel who had an impact on the Panda project no longer hold their previous positions."*