

**THE LIBRARY OF CONGRESS CHINESE
LANGUAGE COLLECTION**

HEARING

BEFORE THE

**U.S.-CHINA ECONOMIC AND SECURITY
REVIEW COMMISSION**

**ONE HUNDRED NINTH CONGRESS
FIRST SESSION**

—————
SEPTEMBER 16, 2005
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Printed for use of the
United States-China Economic and Security Review Commission
Available via the World Wide Web: www.uscc.gov



UNITED STATES-CHINA ECONOMIC AND SECURITY REVIEW COMMISSION
WASHINGTON : January 2006

U.S.-CHINA ECONOMIC AND SECURITY REVIEW COMMISSION

SEPTEMBER 16, 2005

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U.S.-CHINA ECONOMIC AND SECURITY REVIEW COMMISSION

December 31, 2005

The Honorable TED STEVENS

President Pro Tempore of the U.S. Senate, Washington, D.C. 20510

The Honorable J. DENNIS HASTERT

Speaker of the House of Representatives, Washington, D.C. 20515

DEAR SENATOR STEVENS AND SPEAKER HASTERT:

On behalf of the U.S.-China Economic and Security Review Commission, we are pleased to transmit a summary of the Commission's September 16, 2005 public hearing in Washington, DC. Entitled "*The Library of Congress Chinese Language Collection*," the hearing underscored the importance of collecting contemporary, open-source information on China for policy makers and scholars. An electronic copy of the full hearing record is posted to the Commission's Web site www.uscc.gov.

The hearing examined in particular the Chinese collections of the Library of Congress and the adequacy of U.S. government Chinese language and translation services. The Commission heard testimony from current and former Library of Congress representatives as well as experts in the Chinese publishing system and frequent users of Library of Congress Chinese resources.

The Library of Congress Chinese collection serves the policy-making, intelligence, and academic communities. Often, U.S. policy makers must address U.S.-China relations with inadequate information about China and its government – a situation that some have described as a Chinese government that appears to be a "black box." As Professor David Shambaugh of George Washington University stated at the hearing, the Chinese government's decision-making process is not completely a black box: it publishes a wealth of information that details its current operations and future plans, including allusions to sometimes spirited intragovernmental debates. These documents need to be readily available to U.S. policy makers, and hence must be translated in a consistent and systematic way.

During the 1990s, the Library of Congress's China division periodically commissioned studies by scholars to assess the adequacy of its Chinese language collection. These studies were quite critical of the gaps in the collection, which was assessed to have fallen behind that of several U.S. universities both qualitatively and quantitatively. This was true to such a degree that Professor Shambaugh's university established its own China documentation center, in part because the Library of Congress was not filling its role as a national and international repository. The George Washington University collection particularly focuses on the topics of national security, military, and foreign affairs.

Responding to these critiques, the Library of Congress applied for and received a Henry Luce Foundation grant to develop and execute a new acquisition model for its Chinese collection. This model used cooperating scholars in China to guide and make acquisitions. The new model

proved highly successful and the Library requested Congress to appropriate just under \$500,000 a year to enable that model to be employed indefinitely. Unfortunately Congress has not provided the requested funds for this purpose in either of the past two fiscal years. The importance of these funds is highlighted by the fact the Library took the rare step of officially appealing Congress's decision to deny them.

Although the Library of Congress has six overseas offices – in Brazil, Egypt, India, Indonesia, Kenya, and Pakistan, it does not have one in China. Several panelists described this as a great hindrance to the Library's efforts to acquire Chinese materials. Now is a particularly critical time to focus on Chinese acquisitions, not only because of the importance of China to U.S. foreign policy, but also because pertinent materials are more widely available in China now than at any previous point in contemporary Chinese history.

James Mulvenon of the Center for Intelligence Research and Analysis, a federal government contractor, testified that there is currently an explosion of Chinese language materials on science and technology (S&T) and on defense research and development (R&D). The U.S. government could and should use these materials to (1) better anticipate Chinese developments in these fields, (2) increase the likelihood of interdicting illegal technology acquisition and counterintelligence attempts, (3) understand the progress being made in S&T and R&D, and (4) develop countermeasures to the products of such Chinese efforts where they are adverse to U.S. interests.

The acquisition of materials needed by the Library of Congress and other government services is but a first step; it must be followed by systematic translation of foreign language materials for policy-making and intelligence purposes. Open-source foreign language information is a vital component of the complete and comprehensive analytical product that is crucial to policy making.

Recommendations:

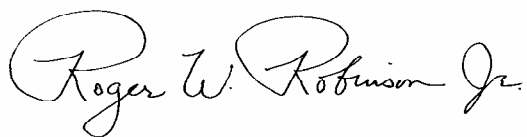
Based on the information presented during this public hearing, the Commission makes the following recommendations to the Congress:

1. The Commission recommends that Congress appropriate the funds requested by the Library of Congress to continue the successful Chinese language materials acquisition process that was initiated with the Luce Foundation grant, and/or that Congress appropriate funds for and direct the Library of Congress to establish an office in China, as it has done in six other developing nations, in order to facilitate critical acquisitions of materials that are available only within China's borders.
2. The Commission recommends that Congress explore ways to expand U.S. government translation programs and resources in a consistent and systematic fashion.

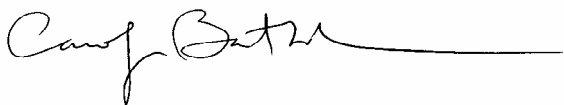
Thank you for your consideration of this summary of the Commission's hearing and the resulting recommendations the Commission is making to the Congress. We note that the full transcript of

the hearing plus the prepared statements and supporting documents submitted by the witnesses can be found on the Commission's website www.uscc.gov, and that these can be searched by computer for particular words or terms. We hope these materials will help Congress ensure that the Library of Congress China collection is adequate to meet the needs of policy makers, intelligence analysts, academicians, and other users, and that sound translations of its significant contents are available to those users.

Sincerely,



Roger W. Robinson, Jr.
Chairman



Carolyn Bartholomew
Vice Chairman

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**THE LIBRARY OF CONGRESS CHINESE LANGUAGE
COLLECTION**

Friday, September 16, 2005

U.S.-CHINA ECONOMIC AND SECURITY REVIEW COMMISSION
Washington, D.C.

The Commission met in Room 385, Russell Senate Office Building, Washington, D.C. at 9:05 a.m., Chairman C. Richard D'Amato, Vice Chairman Roger W. Robinson, Jr. and Commissioners June Teufel Dreyer and Larry M. Wortzel (Hearing Cochairs), presiding.

OPENING STATEMENT OF CHAIRMAN C. RICHARD D'AMATO

CHAIRMAN D'AMATO: The hearing will come to order. Good morning. Thank you for joining us for today's hearing assessing the Library of Congress Chinese collections. Today's hearing continues the Commission's work begun in our 2002 Report to Congress. That report did find some inadequacies in the Library's Chinese collections and recommended several measures for Congress to undertake.

In our 2002 Report, the Commission noted how understanding Chinese perceptions was critical for U.S. policymakers. The Library of Congress, of course, is a critical repository of Chinese documents for Congress and government agencies. Several studies have concluded in the past that there have been inadequacies in the quality and management of the collection.

More disturbing is that in recent years, the Library has testified before Congress on the proposed programs to improve the Chinese language collections, but Congress has not appropriated the funds to move forward with those programs.

I hope today with this morning's two panels we will shed light on the details of the Library's proposed programs for improvement and outside experts' views of further improvements in order to recommend to Congress the best possible means of allowing the Library's

Chinese collections to reflect governmental need for a better understanding of China.

Today we have two cochairs for the hearing, Commissioners Larry Wortzel and June Teufel Dreyer, both of whom have had intimate understanding of the collections. Both speak Chinese, have written extensively on China, and are experts on China and on your collections. I would like to turn the microphone over now to Commissioner Larry Wortzel.

[The statement follows:]

Prepared Statement of Chairman C. Richard D'Amato

Good Morning, and Thank you for joining us for today's hearing assessing the Library of Congress Chinese collections. Today's hearing continues the Commission's work laid out in our 2002 Report to Congress. That report found many inadequacies in the Library's Chinese collections and recommended several measures for Congress to undertake.

In our 2002 Report, the Commission noted how understanding Chinese perceptions was critical for U.S. policy-makers. The Library of Congress is a critical repository of Chinese documents for Congress and government agencies. Several studies have concluded that there had been inadequacies in the quality and management of the collection.

More disturbing is that in recent year the Library has testified before Congress on the proposed programs to improve the Chinese language collections, but has not been appropriated the funds to move forward with the programs.

I hope today with this morning's two panels we will shed light on the details of the Library's proposed programs for improvement and outside experts' views of further improvements in order to recommend to Congress the best possible means of allowing the Library's Chinese collections to reflect governmental needs for a better understanding of China.

OPENING STATEMENT OF COMMISSIONER LARRY M. WORTZEL, HEARING COCHAIR

HEARING COCHAIR WORTZEL: Thank you, Mr. Chairman and good morning. Thank you all for being here. Today's hearing will look at the Library of Congress collections. The depth and the breadth of Library of Congress holdings are just cosmic in scale. The Chinese language holdings are obviously just one category of foreign language holdings that add to a large English language collection.

The language holdings themselves have to encompass the 4,000 years of written history in China. Now that history is filled with varieties of literature and poetry and documents on statecraft, and they're very important to scholarship in the United States. So in the Library, you've got a lot of clients to serve, and we recognize that. The more

modern Chinese documents obviously cover disciplines from medical science to engineering and contemporary art, all of public interest to the American people and the scholars here in this country as well as Congress.

But, frankly, what we're concerned about today is whether the Library's collections are meeting the needs of policymakers to understand contemporary perspectives in China and Taiwan on economics, on military theory and on present day security risks? An argument on Tang poetry might get really ugly between a couple of scholars at the American Historical Association, but it's not going to kill millions of American people with a nuclear weapon and it's not going to sink an American aircraft carrier. And nor will it put people in Akron, Ohio out of work because industries are moving out to China. That's our focus.

There have been studies in the past including one by Commissioner Dreyer, I think in 1995.

HEARING COCHAIR TEUFEL DREYER: That's right.

HEARING COCHAIR WORTZEL: That describes holes in the contemporary periodicals and books collection, particularly dealing with Chinese military and security issues. And other studies have pointed to larger organizational and cataloging and acquisition issues. So we hope to draw you out on that.

Just as I told you before we started, the Commission was in Beijing, and with the chairman's permission, I deviated from our itinerary for a half a day, and went to the Academy of Military Science Bookstore and to National Defense University and PLA press bookstores in Beijing, bought a few books for myself, looked at what's new. You know who are the contemporary authors that Chinese colonels and generals are being told to read when they go to their war college or their national defense university?

Having looked at your on-line catalogue--and I confess I don't go there all the time, but I did in preparation for this hearing--you're pretty up to date. You're doing pretty well on your book acquisitions and you've got some of the major strategists and some of the--I would say all the major strategists and some of the most controversial thinkers in the PLA, and that's good.

You're a couple years behind in getting them on there, but it takes you a little bit of time to do it, and I recognize that. So I hope to draw you out on things like acquisition strategies. How do you figure out what you're going to get in these areas of critical economics and national security?

Do you have an advisory board? And are you funded to bring people in and sit them down and talk to them about what the American community of scholars needs? Can you bring all of the legislative assistants or military legislative assistants that work on Asia and China together for an offsite for a day or two? And do you have the funding to get them to talk to you about acquisition strategies?

That's what I hope to draw out today. Now today's first panel includes Dr. Carolyn Brown and Dr. Hwa-Wei Lee of the Library of Congress.

CHAIRMAN D'AMATO: I think we have an opening statement from Commissioner Dreyer as well.

HEARING COCHAIR WORTZEL: Dr. Brown is the Director of Collections and Services and received her Ph.D. in Chinese literature. And I'm sorry for my comments about Chinese literature.

Dr. Lee is Chief of the Asia Division and has more than 40 years of experience in academic libraries. Thanks for joining us, and I look forward to your testimony.

[The statement follows:]

Prepared Statement Of Commissioner Larry M. Wortzel, Hearing Cochair

Good Morning. Today's hearing will look at the Library of Congress Chinese collections. The depth and breadth of the Library of Congress holdings in general is cosmic on scale. The Chinese language holdings are just one category of foreign language holdings that add to the vast English language collections. The Chinese language holdings themselves must encompass the 4000-year written history of China, which is cosmic in and of itself.

This long history is filled with varieties of literature, poetry, and documents on statecraft that are, as they should be represented in the Library of Congress' collection. Additionally, more modern Chinese documents, obviously cover disciplines ranging from medical science to engineering to contemporary art. All of which must also be represented in the Library of Congress and rightfully are represented in the collections. These are all topics that are of interest to the general public, scholarly researchers, and the Congress.

But what we are concerned with today is whether are not the Library's Chinese collections are meeting policymakers' need to understand Chinese perspectives on economics, military theory, and present day security risks that are critical to maintaining U.S. national security vis-à-vis China's goals toward the United States. It is specifically these national security risks that impact on the very survival of our nation. What concerns me is that several studies, including that of Commissioner Teufel Dreyer, describe holes in the Library's contemporary periodicals and books dealing with Chinese military and security issues. Additionally, studies point to larger organizational, cataloguing, and acquisition issues. We will learn today what holes remain to be filled.

Today's first panel includes Dr. Carolyn T. Brown and Dr. Hwa-wei Lee of the Library of Congress. Dr. Brown is the Director of Collections and Services and received her PhD in Chinese Literature. Dr. Lee is the Chief of the Asian Division and has more than 40 years of experience in academic libraries. Thank you for joining us. I look forward to your testimony.

CHAIRMAN D'AMATO: I think Commissioner Dreyer will give her opening statement before the second panel, so why don't we go ahead and proceed.

PANEL I: LIBRARY OF CONGRESS CHINESE LANGUAGE HOLDINGS

HEARING COCHAIR WORTZEL: Dr. Brown, we can move right into your testimony.

CHAIRMAN D'AMATO: Thank you very much.

STATEMENT OF DR. CAROLYN T. BROWN, DIRECTOR OF COLLECTIONS AND SERVICES, LIBRARY OF CONGRESS

DR. BROWN: Chairman D'Amato, Vice Chairman Robinson, Cochairs Dreyer and Wortzel, members of the Commission, we welcome this opportunity to discuss the Library's Chinese collections and their importance to the Congress and to the American people. We hope the tour that some of you were able to take the other day was useful preparation for today's hearings. It was actually certainly useful to me to have those discussions.

My remarks this morning will first summarize just the key points from the written testimony. A number of important questions were posed by the Commission's letter of invitation. I will first provide an overview of several significant changes in the Chinese collection since the Commission's 2002 report, then review these and other improvements in greater detail, as well as address other issues concerning the Asian Division in the broader context of the Library's mission and roles.

Four significant major improvements:

We have been able to create six acquisitions teams of Chinese scholars and librarians in China to acquire materials from all major regions. As a result of their work beginning in the fall of 2001, by April 2004, over 5,000 titles had been added to the Chinese collections. I note an error in the number here. The 8,000 refers to a different date.

But by April 2004, over 5,000 titles had been added to the collections including materials on economics, social development, Chinese Communist Party history, foreign relations, military affairs, banking and trade and investment.

The Asian Division's computers have been upgraded and we've added on-line digital resources and databases including the China National Knowledge Infrastructure database, known as CNKI, which is an extremely valuable resource for researchers. This includes CNKI Chinese Academic Journals and CNKI Chinese Core Newspapers. In addition, we have the People's Daily and China Data Online.

The Asian Division stacks have been thoroughly reorganized and made accessible, and this process was significantly enhanced by the acquisitions of offsite storage in 2002.

Conversion of the Library's catalog to pinyin Romanization, which began officially in October 2000 after a few years of planning, was completed in April 2001.

The Library has developed collections of unparalleled depth and breadth on Asia. Current holdings are comprised of almost 2.8 million books, 15,000 current serials, 11,000 units of microforms, in 160 Asian languages covering all nations of Asia.

As some of you may know, the Chinese collection itself began with the 1869 gift from the Emperor of China of 933 volumes. The Asian Division serves the information needs of the Congress, its members, committees and staff, and the Congressional Research Service. The executive and judicial branches may send researchers directly to the Library or contract for research services through the Federal Research Division.

Members of the American research community including faculty and students of universities and colleges as well as independent researchers and the general public also use the Division's resources.

In view of China's increasing global political impact, the Library has for sometime addressed the capacity of its collections to meet the growing information needs of researchers and policymakers. Beginning in the mid-1990s, the Library undertook a review of six subject areas within its total collections, one of which was the Social Science Studies in 20th Century China, to which Dr. Dreyer made a substantial contribution, and we thank you for that support, interest and work.

This case study confirmed what many suspected: the collections were comprehensive for historical research but were falling short of needs of researchers seeking reliable current information, particularly in the fields of business law, national security, human rights, and politics, both domestic and international.

Major external and internal factors contributing to this shortfall included the emergence of China as a major world economic and political player, the publication boom in and about China, scarcity of Library financial and staff resources, and acquisitions and processing inadequacies.

The study made a number of recommendations to address these issues including the creation of a working group within the Library to develop strategies for improving the collections and access to them.

In January 1998, after completion of all six case studies, I convened the China Working Group composed of staff of the Asian Division and throughout the Library. Key to this effort were Ms. Helen Poe, who was then Chief of the Division, Dr. Chi Wang, then Head of the Chinese Section, who is a participant here this morning, acquisitions staff and also staff from the Law Library, Collections Policy Office and Federal Research Division.

In late 1998 and 1999, the Library commissioned two additional internal assessments of specific areas. Dr. David Shambaugh, who is also a member of the next panel, presented his findings in March 1999. His recommendations included establishing an acquisitions facility in Beijing, enlarging the staff of the Asian Division's Chinese Section, reviewing our exchange partnerships in China so as to achieve better quality material, reducing reliance on book dealers, replacing them with an in-country acquisitions presence, placing standing orders with the Chinese Communist Party and military publishers, and allocating at least 40 percent of the acquisitions budget for social science materials, also converting to pinyin Romanization.

The second assessment undertaken by Dr. Nicholas Lardy of Brookings Institution was presented in October 1999, and recommended subscribing to specific journals in the areas of banking and finance, foreign trade and investment, addressing incompleteness in holdings of several key serials, reorganizing the stacks, increasing staff, and acquiring digital materials.

While it was clear that the Library could accomplish incremental improvements within its current resources, substantial improvements required an infusion of funds. So in the late fall of 1999, I wrote a grant proposal to the Henry Luce Foundation, requesting a grant of \$570,000, \$390,000 of which was for a three-year pilot of a new acquisitions model, and at the Foundation's suggestion, \$180,000 for

fellowships in support of studies more broadly in the Library's Asian collections.

I need to thank Dr. Shambaugh, whose report I was able to use very productively in persuading the Foundation that there was a genuine need for a new strategy. We received the grant in May 2000, and the balance of 2000 through early spring of 2001 was devoted to planning and initial implementation. This meant things such as selecting the cities and regions that we would focus on, establishing target subject areas and materials we would look for, identifying appropriate potential partner institutions, establishing guidelines for determining the qualifications of those we would hire.

Implementation began in early spring of 2001 and continues through the present. We recognized that in creating a new acquisition methodology, we were piloting a model that, if successful, we would ask the Congress to embrace at the conclusion of the grant. The Library acquires foreign materials in three basic ways: purchase from dealers, exchange with other institutions and through our overseas offices.

The new model funded by the Luce Foundation is different from all of these three. It relies on teams of acquisitions associates who are Chinese citizens and are hired under contract with the Library, but who collect materials without requiring offices and equipment supplied by the Library.

Between early January and March of 2001, we sent three teams of two persons each to visit potential sites throughout China and identify potential partners. At the conclusion of these trips, we made final decisions on the sites and on the lead person for each team. That lead person then would select and supervise other team members.

The teams selected were centered in Beijing, Shanghai, Shenyang, Chongqing, Guangzhou and Wuhan and are expected to identify materials for a region, so even though they were in cities, they were identifying materials from an entire region.

In addition to having this geographic breadth, also essential to the project's success was the level of subject expertise that each team brought to bear. Teams are comprised of people actively engaged in intellectual productivity within their subject areas. All have affiliations with universities, libraries or think tanks. Individual sites were asked to specialize in specific subject areas that were deemed especially important in their regions.

By late summer of 2001, the teams had begun to send lists of potential publications from which Library staff selected and ordered. During the first year of operations, nearly 3,000 titles were identified and selected for shipping from 63 lists. They send lists and then we select from those.

In ongoing communications over time, the acquisitions associates refined their understanding of the Library's preferences and requirements such that the third year of active operations produced as much productive useful material as the first two years combined.

In November of 2001, Ms. Helen Poe, Chief of the Asian Division, retired, and I appointed Dr. Peter Young as Acting Chief. Dr. Young immediately initiated the reordering of the stacks, but ultimately the disorder in the stacks could not be successfully addressed until some of the severe overcrowding could be relieved.

In June 2002, offsite storage facilities finally became available and between 2002 and 2004, more than 315,000 volumes of Asian collections materials were transferred to those facilities to make space for newly acquired and high demand materials.

Rather than permanently fill the position of Chief of the Asian Division immediately, Dr. Young and I consulted within the Division and with key people outside of the Library at foundations, East Asian and university libraries, university academic departments, and even with a former U.S. ambassador to Asia. These conversations sharpened our vision for the Division and of the kind of leadership that would be required.

When Dr. Young left the Library several months later to take up his new position as Director of the National Agricultural Library, I recruited Dr. Karl Lo, who had just retired as East Asian Librarian from the University of California at San Diego, and was widely known among East Asian librarians as the country's expert on Chinese digital information.

Dr. Lo guided Library staff in upgrading the division's computer systems to better manage non-roman script, introduced staff to on-line digital resources and databases from China, and expanded the purview of the Luce grant to include digital resources.

With Dr. Lo's departure, at the end of September 2002, Dr. Robert Worden, a well-known China scholar and Chief of the Federal Research Division, stepped in as interim chief and he served until the competitive permanent appointment of Dr. Hwa-Wei Lee in February of 2003. With Dr. Lee's arrival, progress accelerated.

Dr. Lee is one of the country's most distinguished librarians for Asian materials, known throughout the world for his achievements at Ohio University and as a visionary leader, cultural communicator, mentor and role model for younger generations of librarians.

Among Dr. Lee's new initiatives were reorganization of the Division for greater operational efficiency, strengthening of collections development and management, improving reader and reference services, extending Library hours from five to six days per week--this is just a pilot project--systematically rearranging the materials in the stacks, speeding up the binding of serials from loose issues, establishing the Asian Division Friends Society for outreach programs and fundraising, expanding digital resources, undertaking major digital conversion projects, and engaging in fostering a spirit of cooperation and teamwork among all staff members.

Dr. Lee has been very successful in all of these efforts and continues his strategic planning for improvement of the Asian Division.

In the Library's budget submission for FY 2005, the Library requested \$479,000 to continue the Luce acquisitions model that had proven so successful and to increase staff by seven FTEs. In FY 2006, we resubmitted the same request at a slightly increased funding level, an inflationary increase reflecting these greater costs. Unfortunately, the Congress was not able to fund all of the Library's requests and this was one of those that it did not fund.

HEARING COCHAIR WORTZEL: Dr. Brown, we're about at the time limit for your oral testimony.

DR. BROWN: Okay.

HEARING COCHAIR WORTZEL: If I might interrupt, I'll try through the questions and answer period to give you the opportunity to present the rest of that, and we will put the entire testimony into the record.

DR. BROWN: Okay. That's fine.

HEARING COCHAIR WORTZEL: Thank you very much.
Dr. Lee.

DR. LEE: Actually Dr. Brown and I co-worked on this presentation.

HEARING COCHAIR TEUFEL DREYER: Larry, in that case, could Dr. Brown have a little more time?

DR. LEE: Could Dr. Brown finish?

HEARING COCHAIR WORTZEL: Absolutely. Please continue.

DR. BROWN: It's actually not much longer. I tried to keep it short. Let's see. In the written statement, I just provided some summary information taken from my 2004 report to the Luce Foundation. —You will note that the statistics only go through April 2004.

We have not written a complete report to the Foundation for 2005, but we'll write the final report when we have received all the materials funded under the grant. So we expect that when we tally receipts for this period, they will certainly exceed the numbers for the 12 months ending April 2004. There will be another 16 months.

The numbers and lists of subject matter do not capture perhaps the most important fact, and that is that the research quality of the items received is greatly improved. By relying on scholars who are selecting materials in their fields of expertise and librarians who are actively acquiring materials for their own research institutions, we have increased the quality of receipts without a commensurate increase in monies expended.

Further, in some cases, the teams also began recommending highly useful on-line resources and websites and these websites have been integrated into the Library's "Portals to the World Project," which is an annotation of web resources, and these are available then for use worldwide.

To conclude, clearly the Luce Project and related work undertaken by the Asian Division in close collaborations with other divisions of the Library has had a major impact on improving the Library's collections and its ability to serve researchers. Within the landscape of Chinese publishing, which is ever changing, we now know that China is publishing somewhere around 150,000 titles per year. As a result, we will have to work harder, smarter, with continued determination to acquire the materials that the Congress and the research community expect from us.

In the years and months ahead, to the extent that our funding allows, and that's always a limitation, we will continue to collect the most important print resources, expand our access to digital resources and address the challenges of preserving digital materials for the long

term. We thank you for the opportunity to discuss the Library's collections and are happy to answer your questions.

[The statement follows:]

Prepared Statement of Dr. Carolyn T. Brown, Director of Collections and Services, Library of Congress

Chairman D'Amato, Vice-Chairman Robinson, Co-Chairs Dreyer and Wortzel, Members of the Commission, we welcome this opportunity to discuss the Library's Chinese collections and their importance to the Congress and the American people. We hope the tour of the Library's Asian Division conducted earlier this week was useful preparation for today's discussion.

A number of important questions were posed in the Commission's letter of invitation to the Library. I will first provide an overview of several significant changes in the Chinese collections since the Commission's 2002 report, then review these and other improvements in greater detail, as well as address other issues concerning the Asian Division in the broader context of the Library's mission and the role of the Asian Division in that mission.

Significant improvements made in recent years include:

- . • Creation of six acquisitions teams of Chinese scholars and librarians to acquire materials from all major regions. As a result of their work, begun in fall of 2001, by April 2004 nearly 8000 titles had been added to the Chinese collections, including materials on economics, social development, Chinese Communist Party history, foreign relations, military affairs, banking, and trade and investment.
- . • The Asian Division's computers have been upgraded to add on-line digital resources and databases, including the China National Knowledge Infrastructure database (CNKI), which is an extremely valuable resource for researchers. This includes access to CNKI Chinese Academic Journals and CNKI Chinese Core Newspapers as well as The People's Daily and China Data Online.
- . • The Asian Division's stacks have been thoroughly reorganized and made more accessible, and this process was significantly enhanced by the acquisition of off-site storage facilities in 2002.
- . • Conversion of the Library's catalog to pinyin romanization, begun in October 2000 after several years of planning, was completed in April 2001.

The Library's Mission

Founded in 1800, the Library has as its mission to acquire, preserve, and make accessible the mint record of American creativity and the world's largest collection of human knowledge. The Library's collections of more than 130 million items support the work of the Congress, principally through the Congressional Research Service and the Law Library; the Executive and Judicial branches; and scholars, researchers, and the general public. Through the U.S. Copyright Office, the Library fosters and protects the American creative community.

The Library's collections contain often unique resources in more than 460 languages, nearly 40 scripts, and in a wide range of media. Every workday the Library adds more than 10,000 new items to its collections and provides numerous specialized services to its users – both on Capitol Hill and increasingly through its web site (www.loc.gov) that received more than one billion hits last year. The Library continues to execute the full range of its functions in the analog world and at the same time, with a decrease in staff resources, is a world leader in making

digital information resources in many languages available globally on line, a transformation without precedent since the invention of the printing press. The Library is responding to this challenge with program-focused goals and objectives outlined in our new strategic plan, which was forwarded to the Congress in September 2003. The plan will undergo continuous review and improvement so as to ensure the Library's leadership position among libraries of the 21st century.

The Asian Division

The Library has developed collections of unparalleled depth and breadth on Asia. The Chinese collections began with the 1869 gift from the emperor of China of 933 volumes. Current holdings, comprised of almost 2.8 million books, 15,000 current serials, and 11,000 units of microforms in the languages of Asia, constitute a vital asset in support of American understanding of Asia.

Through purchase, exchange with international partners, and gifts, the Library has assembled these diverse Asian collections. For some nations of the world, including China, the Library's collections are considered the most comprehensive and accessible outside of the country of origin. This great resource is coupled with the expertise provided by a strong curatorial staff. Usage of these rich materials supports opportunities for the public policy community, scholars, and the general public, to conduct research and analysis.

In addition to the Asian language holdings in the Asian Division, important Asian collections of legal materials, maps, music, motion pictures, and photographs are housed and cared for by other divisions of the Library in collaboration with Asian Division staff. Materials about Asia but not written in Asian languages are housed in the general stacks, which are accessible primarily through the Main Reading Room and the reading room of the Science, Technology and Business Division, as well as in other area studies and special collections units.

The mission of the Asian Division aligns with the Library's mission. The Division serves the informational needs of the Congress, its members, committees, and staff, and the Congressional Research Service. The Executive and Judicial branches may send researchers directly to the Library or contract for research services through the Federal Research Division (FRD). Members of the American research community, including faculty and students of universities and colleges, as well as independent researchers and the general public, also use the Division's resources. These include materials in some 160 Asian languages covering all Asian countries including China, Mongolia, Japan, and North and South Korea, as well as the countries of South and Southeast Asia.

Recent Congressional requests for information and research assistance have spanned a broad array of subject areas and tasks including Chinese culture and history, economics, political development and dissident material. The Federal Research Division has recently used the Chinese collection for several projects for executive branch agencies, including one requiring contemporary and historical resources in science and technology. On contract with the Department of Defense, FRD is updating its volume on China for the Country Study Series handbooks that are also used by members of Congress and their staff for reference and official travel-related background.

In addition, the Chinese collections' vast resources are used extensively for in-depth research by renowned scholars and China experts from around the world who are resident scholars in the Library's John W.

Kluge Center. When the Kluge Center opened to accommodate resident fellows and chair appointments in June 2002, it quickly became apparent that proximity of other scholars working in related geographic regions, related languages and subject areas provided an ideal environment for intensive scholarly exchange of ideas and the enhancement of individual research activities.

Collections Assessment

In view of China's increasing global political impact, the Library must regularly address the capacity of its collections to meet the growing information needs of researchers and policy makers. Beginning in the mid-1990s, the Library undertook a review of six subject areas within its collections, including Social Science Studies in Twentieth-Century China, to which Dr. Dreyer made a substantial contribution. Dr. Dreyer, we thank you for your support and for your continuing interest in the Library's Chinese collections.

This Case Study confirmed what many suspected: the collections were comprehensive for historical research but were falling short of the needs of researchers seeking reliable, current information, particularly in the fields of business, law, national security, human rights, and politics, both domestic and international. The study found that major external and internal factors contributing to this shortfall included the emergence of China as a major world economic and political player, the publication boom in and about China, scarce Library financial and staff resources and acquisitions and processing inadequacies. It also identified the need for more research and analytical coverage of China by the Congressional Research Service and the Law Library. The study made a number of recommendations to address these issues including the creation of a working group within the Library to develop strategies for improving the collections and access to them.

In January 1998, after completion of all six case studies, I convened the China Working Group, composed of staff in the Asian Division and throughout the Library. Key to this effort was Ms. Helen Poe, Chief of the Division, Dr. Chi Wang, then Head of the Chinese Section, who is a participant in the next panel, the Library's Acquisitions Director, and staff from the Law Library, the Collections Policy Office, and the Federal Research Division

In late 1998 and early 1999, the Library commissioned two additional internal assessments of specific areas relating to our Chinese collections. Dr. David Shambaugh, who is also on the next panel, presented his findings in March 1999. Dr. Shambaugh examined five principal parts of the Library's contemporary China social science collection: the Chinese Communist Party; domestic politics; military affairs and national security; Chinese foreign policy and international relations; and American studies and Sino-American relations. His recommendations included establishing an "acquisitions facility" in Beijing; enlarging the staff of the Asian Division's Chinese section; reviewing our exchange partnerships in China so as to achieve "quantitative reduction, qualitative improvement, and cost-savings"; reducing reliance on book dealers, and replacing them with an in-country acquisitions presence; placing standing orders with Chinese Communist Party and military publishers; allocating at least 40% of the acquisitions budget for social science materials; and converting to pinyin romanization system.

The second assessment, undertaken by Dr. Nicholas Lardy of the Brookings Institution, evaluated the Library's holdings of Chinese language materials dealing with the Chinese economy, with a particular focus on

banking and finance, and foreign trade and investment. Dr. Lardy's recommendations, presented in October 1999, included subscribing to several specific journals; addressing incompleteness in holdings of several key serials; reorganizing the stacks; increasing staff; and acquiring digital materials.

The Luce Foundation Grant

While it was clear that the Library could accomplish incremental improvements within its current resources, the substantial improvements needed required an infusion of funds. So in the fall of 1999, I wrote a proposal to the Henry Luce Foundation, requesting a \$570,000 grant – \$390,000 for piloting a new acquisitions method in China, and at the Foundation's suggestion, \$180,000 to support fellowships in support of studies using the Library's Asian materials. Here I need to thank Dr. Shambaugh whose report I was able to use productively in communicating to the Foundation the genuine need for piloting a new acquisitions strategy in keeping with the rapidly changing publication environment in China.

The Library received the grant in May 2000. The balance of 2000 through early spring of 2001 was devoted to planning the implementation: selecting the cities and regions to cover, establishing target subject areas and types of materials, identifying appropriate potential partner institutions, and establishing guidelines for determining the qualifications of those that we would hire. Implementation began in mid-spring of 2001 and continues through the present.

In June 1999, Library Services had broadened the membership of the China Working Group and created a series of China Collections Town Meetings to address recommendations from the Shambaugh report. Following receipt of the Lardy report, those concerns were added to the group's consideration. With the Luce grant, the Library finally had the resources to act forcefully. An Executive Committee, drawn from key staff who had participated in the China Working Group and the China Collections Town Meetings, was formed to manage the project.

We recognized that in creating a new acquisitions methodology, we were piloting a model that, if successful, we would ask the Congress to embrace at the conclusion of the grant. At that time, the Library had three principal strategies for acquiring foreign materials. First, we relied and still rely on book dealers who, guided by specific instructions issued annually, make selections and ship materials. This works well in Europe and other developed countries. Second, exchange relationships supplement these purchases at minimal additional cost to the Library. Third, for those parts of the world where the book trade is underdeveloped, the Library has established Overseas Offices, headed by an American supervisor and staffed locally. The new model funded by the Luce Foundation is different from all of these. It relies on teams of acquisitions associates who are hired under direct contract with the Library but who collect materials without requiring offices or equipment supplied by the Library.

The teams of acquisitions associates were to be located in five sites throughout China and to identify materials from an entire region, not just from their primary locations. Initially we anticipated selecting teams in Beijing, Harbin, Shanghai, Chengdu, and Hong Kong. Additional sites raised for consideration were, in the northeast, Shenyang or Changchun; in east central China, Nanjing; in the southwest, Chongqing; and in the southeast, Guangzhou, Nanning, Shenzhen, or Wuhan. After further discussion, we settled on Beijing, Shanghai, Shenyang, Chongqing and Guangzhou. After the first staff trip to China, we added a sixth site, Wuhan because that location, with its adjacent cities of Wuchang, Hankou and Hanyang, marks an important site for economic development,

especially that involving the Yangtze River Development Project, for local history, and for international and environmental law and political science. We concluded that our current arrangements for collecting materials in Hong Kong, funded by our Congressional appropriation, are sufficient for materials from that former colony.

We determined that Library staff should travel to each of the sites in order to recommend final site selection and identify personnel, recognizing that the two decisions would be closely interrelated. Because building the collections depends on close working relationships between the Asian Division and the corresponding unit in the Acquisitions directorate, we sent three teams, each comprised of a staff member from the Asian Division and one from Acquisitions.

They traveled in sequence between early January and March of 2001 so that the first team's experience could inform the subsequent trips. Each team briefed the entire group. Dr. Wang was one of the six staff to undertake this effort. At the conclusion of the trips, the Executive Committee made final decisions on the sites and the lead person for the team, who would supervise the rest of the team members.

In making the selections, the Group recognized that, in addition to geographic breadth, another factor essential to the project's success would be the level of subject expertise that each team encompassed. For this reason teams finally selected were comprised of people actively engaged in intellectual productivity within their subject specialities. All had affiliations with universities, libraries, or think tanks. Individual sites were asked to specialize in specific subject areas that were deemed especially important in their regions: Beijing, hard-to-obtain government information; in the northeast, regional publications and grey literature that is hard-to-obtain from outside the three provinces of Heilongjiang, Jilin, and Laoning, and outside of Inner Mongolia, including material on Sino-Russian relations; Shanghai/Nanjing, economics, political science, sociology and law, also women's studies, American studies, Taiwan studies, city planning and urban development; in the southwest, the Western Development Project, science and technology, minorities and related subjects, women's studies, and city planning and urban development; in southeast China, Guangdong culture, the Shenzhen and Xiamen Economic Zones, Guangxi minorities, the Pearl River Delta Development project, and political science and administration.

The six teams of acquisitions associates, aligned with educational institutions, are located in Beijing, Chongqing, Guangzhou, Shanghai, Shenyang, and Wuhan. Working through email communication, the Library developed contracts with each team and provided additional guidance beyond what had been preliminarily communicated in the early discussions.

By late summer of 2001, the teams had begun to send lists of potential publications for Library staff to select from. During the first year of operations, nearly 3000 titles had been selected for shipping from the 63 lists that had been provided by that time. In on-going communications over time, the acquisitions associates refined their understanding of the Library's preferences and requirements such that the third year of operations produced as much useful material as the first two years combined.

Leadership

In November 2001, Ms. Helen Poe, Chief of the Asian Division, retired and I appointed Dr. Peter Young as Acting Chief. Dr. Young immediately initiated the re-ordering of the stacks. Rather than permanently fill the position of Chief immediately, Dr. Young and I consulted within the Asian Division, and with key people outside of

the Library at foundations, East Asian and university libraries, universities, and even spoke with a former U.S. ambassador to Asia. These communications sharpened our vision for the Division and the kind of leadership that would be required.

When Dr. Young left several months later to take up his new position as Director of the National Agricultural Library, I recruited Dr. Karl Lo, who had just retired as East Asian Librarian at the University of California at San Diego, and was widely known among East Asian Librarians as the country's expert on Chinese digital information. Dr. Lo guided Library staff in upgrading the Division's computer systems to better manage non-roman script, introduced staff to on-line digital resources and databases available from China, and expanded the purview of the Luce grant to include identifying digital resources.

Ultimately, the disorder in the stacks could not be successfully addressed until some of the severe overcrowding could be relieved. During Dr. Lo's tenure, when off-site storage space finally became available, beginning in June 2002, staff began selecting material to be sent to remote storage. In the succeeding months, titles of less used materials from specific classes, 34,500 volumes of them, were moved off-site. In September 2002 the Library funded a special overtime project to enable Asian Division technicians to sort and shelve thousands of volumes of recently catalogued Chinese materials and created a finding aid to show alternative shelving locations. Between 2002 and 2004, more than 315,000 volumes of Asian collection materials were transferred to off-site storage to make space for newly acquired and high demand materials.

At the end of September 2002, Dr. Lo stepped down as Acting Director of the Asian Division, but continued under contract with the Library to serve as an advisor on digital information systems.

In October 2002, at Dr. Lo's urging, he and I took a two-week trip to Beijing, Guangzhou, and Hong Kong so that I could understand the scope of the digital transformation occurring in China. In addition to consulting with the U.S. Embassy in Beijing and the Consulate in Hong Kong, who provided us with a helpful list of military journals, we visited several database vendors and looked at the level of digital information access at premier and second level academic institutions.

With Dr. Lo's departure at the end of September 2002, Robert Worden, a well-known China scholar and Chief of the Federal Research Division, stepped in to serve as interim chief and to keep the momentum going, which he did, until the competitive permanent appointment of Dr. Hwa-Wei Lee in February of 2003. With Dr. Lee's arrival, progress accelerated.

Dr. Lee is one of the country's most distinguished librarians for Asian materials, known throughout the world for his achievements at Ohio University, and as a visionary leader, cultural communicator, mentor and role model for younger generations of librarians. He is known throughout China and Taiwan as an extremely effective and generous colleague.

When Dr. Lee retired as the Dean of University Libraries at Ohio University, he left behind a major research library that had gained its place among the members of the prestigious Association of Research Libraries, ranking among the top 70 academic research libraries in North America. In his twenty-one year tenure, the library more than doubled its collections to over two million titles including unique and internationally known research resources. His fund-raising skills are exemplary. He expanded the University's library endowment from less than \$20,000 in 1978 to \$8 million in 1999.

Dr. Lee is recognized internationally for his contributions to bridging cultures between the United States and many other countries. He has been appointed to honorary and consulting professorships at many prestigious universities in China and other areas in Asia, is the recipient of numerous awards and honors, and has published extensively. In 1999, Ohio University named a new building the Hwa-Wei Lee Library Annex and the first floor in the Main Library as the Hwa-Wei Lee Center for International Collections.

The Asian Division could not have found a more distinguished and effective leader. Among Dr. Lee's new initiatives were the reorganization of the Division for greater operational efficiency, the strengthening of collection development and management, improving reader and reference services, extending library hours from five to six days per week as a pilot project, rearranging the materials in the stacks in an orderly manner, speeding up the binding of more serials from loose issues, establishing the Asian Division Friends Society for outreach programs and fundraising, expanding digital resources, undertaking major digital conversion projects, and encouraging and fostering a spirit of cooperation and teamwork among all staff members.

The Friends Society has brought in new sources of financial support for research fellowships and scholarly programs. The Library has recently received a gift of \$300,000 to establish an Asian Division research fellowship program, which will facilitate more extensive use of the Asian collection. The outreach program of the Division has also attracted more gifts of private collections. One of the latest gifts is in Asian American studies. In cooperation with the National Central Library in Taiwan, a multi-year project to digitize selected Chinese rare books is now underway to make the Chinese rare books more easily accessible to researchers and scholars worldwide, while allowing better preservation of the original treasures.

The newly reorganized Division is divided into two major sections and five area teams. The two sections are Collection Services and Scholarly Services. The five area teams are: China and Mongolia, Japan, Korea (both South and North Korea), South Asia, and Southeast Asia. Under the new leadership of Dr. Mi Chu Wiens, the Chinese and Mongolian Area Team has made noticeable improvement in the acquisition of contemporary Chinese publications, including books, journals, newspapers, microform materials, and digital resources. The most important of the major Chinese digital resources are the *CNKI Chinese Academic Journals* (close to 7,000 academic titles in full texts), the *CNKI Chinese Core Newspapers* (453 national, regional, and local newspapers in full texts), the *China Data Online* (comprehensive statistics and economic information of China), the *People's Daily* (1946 to 2004, full-text searchable), and the *SuperStar e-Books* (text file of 25,000 current titles).

A selection of the latest acquisitions on the subjects of the Chinese Communist Party, Chinese economy and international trade, Chinese foreign policy and international affairs, Chinese military and strategy, domestic Chinese politics, science and technology, and Sino-American relations and American studies were displayed in The Asian Reading Room for your inspection on September 14th. An online demonstration of the five full-text Chinese databases was also provided.

In its budget submission for FY 2005, the Library requested \$479,000 to continue the Luce acquisitions model that had proven so successful and to increase the staff by seven FTEs. In FY 2006, we resubmitted the same request at an increased funding level of \$493,000, reflecting operational cost increases. Unfortunately, however, the Congress was not able to fund all of this request.

By October 2004, the Luce funds were nearly all expended. Dr. Lee visited each of the 6 teams of

acquisitions associates and succeeded in persuading them to continue their work for greatly reduced remuneration with the promise that we would again seek Congressional support to restore the program to a more suitable funding level. We are now trying to determine whether something of this very successful program can continue to operate at greatly reduced expense to the Library so that we can continue to support the nation's need for high quality contemporary materials from China.

In the Appendix I have provided summary information taken from the 2004 report to the Luce Foundation. Rather than write a complete report to the Foundation in 2005, we requested instead to write the final report after we have received the last of the material funded under the grant. Thus the figures you see in the Appendix do not include materials acquired in the last 16 months. We expect that when we tally receipts for this period, they will certainly exceed the numbers for the twelve months ending in April 2004.

The reports to the Luce Foundation have noted the numbers of receipts and the subject matter. They do not capture perhaps the more important fact which is that the research quality of the items received is greatly improved. Even the most conscientious of dealers does not have extensive subject expertise. By relying on scholars, who are selecting materials in their fields of expertise, and librarians, who are actively acquiring materials for their own research institutions, we have increased the quality of receipts without a commensurate increase in monies expended. Further, in some cases, the teams also began recommending highly useful on-line resources and websites, with their URLs, which have been integrated into the Library's "Portals to the World Project" and thereby made available on-line to users worldwide.

It is clear that during the final year of the Luce Grant (2003 - 2004), the Library continued to see improvements in its acquisition of contemporary materials from China. The Library staff have honed the acquisitions model developed at the start of the project, and have refined the selection and acquisition of materials, providing more detailed guidelines to the Library's Acquisitions Associates in the six regions of China. The associates have become more effective with experience.

The Library continued to focus on several key subject areas that remain particularly interesting to researchers. These include: the Chinese Communist Party; economics, finance and trade issues; politics and government; military affairs and national defense; and U.S.- China relations. In addition, at the time of the outbreak of SARS, the Library instructed its Acquisition Associates to pay close attention to any SARS-related material. Thus this acquisitions model has increased our capacity to respond to unfolding events.

The Appendix contains several charts that summarize the projects' activities by region and subject.

Conclusion

Clearly, the Luce Project and related work undertaken by the Asian Division, in close collaboration with other Divisions, has had a major impact on improving the Library's collections and its ability to serve researchers. However, the landscape of Chinese publishing is ever changing, with China publishing more than 150,000 titles per year. As a result, we will have to work harder, smarter, and with continued determination to acquire the materials that the Congress and the research community will expect from us.

In the months and years ahead, to the extent that our funding allows, we will continue to

collect the most important print resources, expand our access to digital resources, and address the challenges of preserving digital materials for the long term. We thank you, again, for the opportunity to discuss the Library's collections. We are happy to answer questions.

Appendix

Acquisitions under the Luce Foundation Grant

Below are several overview charts that summarize the project's activities by region. The charts demonstrate the overall progress made by the project as a direct result of the Luce grant. (All figures are cumulative as of April, 2004)

Chart 1 describes the seven categories of activities associated with the acquisitions project.

- . • Column one, "No. of Lists," shows the cumulative number of booklists provided by each of the regional Acquisitions Associates teams (through April 15, 2004)
- . • The second column, "No. of Titles listed," gives the aggregate number of titles taken from all lists provided by each regional team. These include monographs, monographic series, and serial titles
- . • The third column, "Titles Selected by LC," shows the total number of titles selected by Library specialists for the collections, from among the titles given in the second category.
- . • Column four, "Duplicates of LC Collections," shows the total number of titles selected by LC specialists (column three), but which have subsequently been found to duplicate titles already in the Library's collections or which have been acquired or are in the process of being acquired by the Library. These duplicates are thus not ordered for the collections
- . • Column five, "Duplicates of Other RLIN Libraries," shows the total number of selected titles (column three) found to be duplicates of titles already acquired by libraries other than LC, based upon a search the RLIN databases. This information is of interest as an indicator of the relative effectiveness of acquisition modes applied by the Library compared with other U.S. libraries acquiring the same sort of material. The column does not have an impact on actual LC acquisitions
- . • Column six, "Titles Ordered by LC," shows the final number of titles eventually ordered by the Library from among the total number of selected titles (column three), minus the duplicates found to be already in the Library's collections and those items which turned out to be serials titles or issues which are acquired separately as subscriptions
- . • Column seven, "Titles Received by LC," is the total number of titles that the Library has received as of April 15, 2004, from among the titles ordered/purchased (column six). Only actual receipts are shown; those titles that have been ordered but which are still in transit are not counted.

Chart 1

Region	No. of Lists	No. of Titles Listed	Titles Selected by LC	Duplicates of LC Coll.	Dup. of Other RLIN Libraries	Titles Ordered by LC	Titles Received by LC
Beijing/Northern	74	7,815	4,348	851	616	2,780	1,831
Shenyang/Northeast	27	1,454	1,036	94	67	765	459
Shanghai/Eastern	35	2,709	1,939	339	227	1,556	1,169
Chongqing/Western	32	3,288	2,493	1,236	433	1,865	845
Wuhan/Central	25	1,079	878	151	134	731	351
Guangzhou/Southern	23	6,395	1,978	424	488	1,559	666
Total	216	22,740	12,672	3,095	2,851	9,256	5,312

Chart 2 provides a breakdown showing the five most sought-after subject categories of acquired material, for the entire project period of 2001-2004. These categories are by no means a specific description of the individual titles. Rather they serve to illustrate the general trend of volumes coming out of each region.

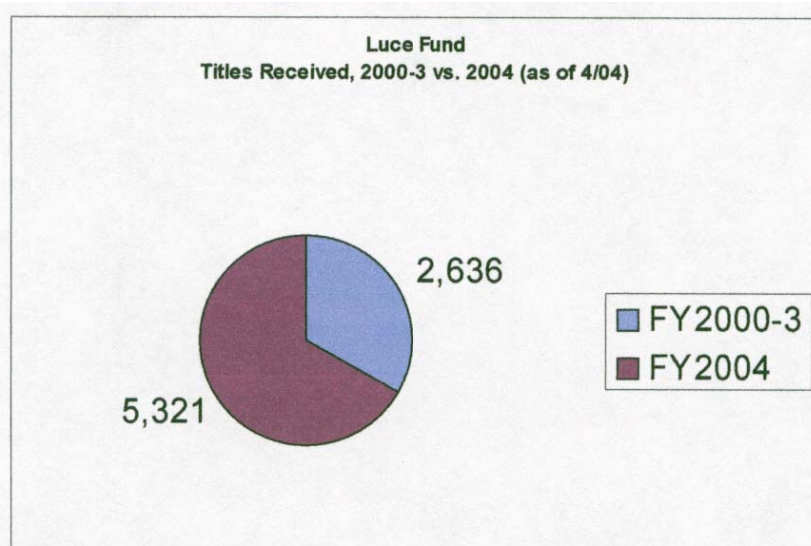
Chart 2

Region	Domestic Politics	Foreign Policy	Military	Economics	CCP	Total Books Acquired
Beijing/Northern	356	260	216	465	221	1518
Shenyang/Northeast	25	20	3	41	35	124
Shanghai/Eastern	205	162	20	335	120	842
Chongqing/Western	65	35	10	312	70	492
Wuhan/Central	20	21	12	202	55	310
Guangzhou/Southern	125	75	10	211	67	488
Total	831	573	271	1566	568	3809

The three diagrams that follow amply illustrate the project's success. At the beginning of the project, much effort went into planning and preparation for the new experiment. Indeed implementing the mechanism and processes was difficult, made even more complicated by the many security considerations in the aftermath of the September 11 Attacks. However, once the structure was on sound footing, it began to demonstrate handsome pay offs.

Diagram I shows a comparison between the first three years' receipts with those of the 4th year. While the first three years' total receipts were 2,636 titles, the 4th year's receipts of 5,321 titles more than doubled the previous three years' receipts, combined.

Diagram I



The volume of the Library's acquisitions under the project correlates with our understanding of the volume of publishing in China by region. The profile of the Library's receipts, as illustrated in Diagram II, confirms the present-day publishing trends in China. It shows that most publications are coming from the three regions of Beijing/Northern China, Shanghai/Eastern China, and Chongqing/Western China.

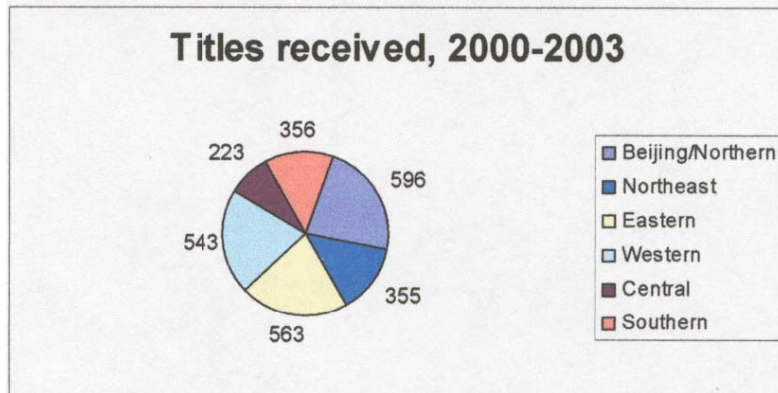
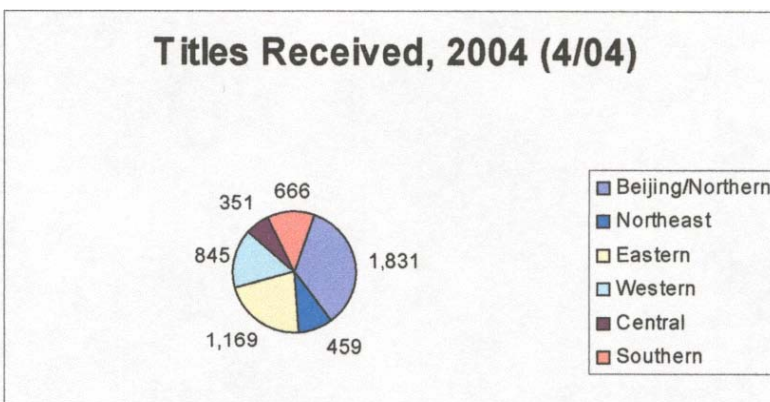
Diagram II

Diagram III further confirms that the great increase in the 4th year's receipts was achieved across the board and was not limited to certain areas. In the Southern China region, for example, receipts almost doubled while in other regions as well, considerable increases were registered, with some more than doubled from earlier periods.

Diagram III

Panel Discussion, Questions and Answers

HEARING COCHAIR WORTZEL: Thank you very much. It's clear that the Library has actively sought outside help and comment to improve the collection, has reacted to that effectively. You're to be commended for going out for that grant and getting it and then making an improvement.

I noted your comments on human rights acquisitions. I was surprised and impressed by the fact that there is now an entire series by the Academy of Military Science of books on ethics in warfare, the law of land warfare, and human rights in Western military doctrine, as a reaction to things like Somalia, Bosnia. So I found that a very interesting collection, and one that would be useful for members of Congress to be aware of, that PLA is moving in that direction as they become more active in United Nations peacekeeping efforts.

I'd be very interested in whether or not your teams in China--
-I think you said you had six teams--

DR. BROWN: Yes.

HEARING COCHAIR WORTZEL: --ever get the opportunity to get here and meet with some of the scholars here in the United States you use to advise you, or do any of your U.S. scholars that may be informal or formal advisers get out to the China to meet with your teams?

DR. LEE: Actually one of our team associates in Beijing is a professor at the History Department of Beijing University. He was a research fellow last year at Harvard University, so he knows very well the research interest here in the United States. He has been a most productive person and provides us, I think, two or three lists every month, and very rich in the number of selections of materials of interest to us, and we make a lot of selections from his lists for acquisitions. So that's part of my response.

HEARING COCHAIR WORTZEL: Would it be fair to say, then, that as you did with your Luce Foundation grant, you're dependent on private or outside help to bring these contacts and fellowships about to improve the collection? You're not getting funded by Congress to do those things?

DR. BROWN: That's correct. We're not funded by Congress to do that.

HEARING COCHAIR WORTZEL: Thank you very much. Commissioner Wessel.

COMMISSIONER WESSEL: Thank you. I first want to thank the two of you, as well as the others here who assisted the other evening in the tour that Commission Mulloy, several others and I took. Your dedication to your work is evident as is the pride you take in what you've done, and we certainly appreciate all your work.

I'd like to understand a couple of things. Number one, with the termination of the Luce Foundation grant, what will that mean toward the acquisition strategy, meaning the teams that you have there? Will they be funded in some other way? Is that project going to stop and we're going to revert to formal acquisition strategy? How do you intend to do that?

DR. BROWN: We are still struggling with that issue, and we don't have an easy solution. The funds actually were almost completely expended last September. We had a little bit of money left. Dr. Lee, who was traveling to Asia in any case, visited all six teams and negotiated their continued work this year at greatly reduced amounts of money.

Among the strategies we are thinking about, and we haven't really done our internal budget for '06, is reducing the number of sites for acquisitions associates. You can see if you look at the tables that there were some teams that were more productive, not necessarily because they were better teams, but because of the regions they were working in, so we would certainly reduce the number of teams.

We have a lot of goodwill. It may be that some teams will continue out of appreciation for Dr. Lee, who is extremely well known in China. When he came on board, and found out who the teams were, he knew three people in three of the six teams. So there's a certain amount of personal favor. That's not a good way to proceed for a government institution because sooner or later personnel are going to change and you're going to be back to a problem.

The third thing I can say is that our dealers have been educated by this process. After the acquisitions associates present their recommendations, the dealers actually have to get the material so they

have a clearer sense of what it is we're looking for than they might have had before. So that should be improved.

But I would say that we certainly cannot expect that we will be as successful without funding as we were with funding, and we're still trying to figure out how we're going to deal with that.

COMMISSIONER WESSEL: Let me follow up also on a point Commissioner Wortzel made earlier regarding the military issues and the breadth of issues that the Library needs to fill its stacks with to accommodate all the users, but we've now seen the Pentagon come out with a report several months ago about increasing concerns about China's military presence.

When we met the other evening, you indicated that actually the clientele, the users of your collection, is rather broad and is significant numbers of government officials including those from our intelligence services that your stacks are meant to not only serve the academic community, but the policymaking community.

DR. BROWN: Yes.

COMMISSIONER WESSEL: It seems to me this is going to be a significant impediment to Congress and other policymakers making informed decisions if we can't fill the stacks with the kind of current information, whether it's periodicals, monographs, the other materials. Without that acquisition strategy or acquisition teams and with a fairly stagnant budget. How do you intend to keep up? Where does it come from and how do we meet the policymakers' needs? What kind of receptivity are you having within, from others, maybe to help give you the resources you need?

DR. BROWN: I really don't have a simple answer. I'm not sure "the others" that you're referring to. We obviously went back to the Congress and requested support for the strategy. The Congress has been generous in a hard economic period in increasing the Library's materials budget.

COMMISSIONER WESSEL: Are there other grant makers? We have a large percentage of our business community that is aggressively seeking to enhance engagement with China, and doing so means that Congress needs greater information as to China's policies and activities. Is anyone in the business community coming forward to help supplant the federal funds?

Those who want to promote better relations, in my opinion, should have the greatest interest in helping to make sure that you can

inform the public and the policymakers? Are any of them coming forward in any way?

DR. BROWN: Let me make one comment and then I'd ask Dr. Lee to talk about his Friends Group. In general, the Library, as a matter of principle, has been very careful about asking the private sector to support activities that the public sector or that the Congress has traditionally supported. We were able to go to the Luce Foundation because we were piloting a strategy, and we wanted to find out if we could find one that really worked, what it would be, and then go to the Congress.

So for basic materials and services, as a matter of policy, the Library has not looked to the private sector for basic funding. Where we do look to the private sector is for, in this case, a pilot for the certain kinds of things that we cannot expect the Congress to fund, whether it's things like fellowships or special outreach programs, even sometimes special purchases. We have, in the last few years, made some major, multi-million dollar purchases or smaller things like that.

So as a matter of policy, we're really very careful about that. On the other hand, Dr. Lee has been very active in his two-and-a-half years so far in beginning to engage outside resources and maybe you want to say something.

COMMISSIONER WESSEL: Just before you do, I want to ask just one other clarification issue from the other evening. Did I hear correctly that for books to be exported from China, for the Library to receive them, there has to be a license for each book?

DR. BROWN: It's the dealers, the exporters. Exporters have a license to export books.

COMMISSIONER WESSEL: Do the books need to be cleared for export?

DR. LEE: Not individual titles.

COMMISSIONER WESSEL: Not individual titles.

DR. LEE: But the dealers we use, they have to be licensed by the government.

COMMISSIONER WESSEL: I'm sorry.

HEARING COCHAIR TEUFEL DREYER: By the U.S. government?

DR. LEE: By Chinese government.

HEARING COCHAIR TEUFEL DREYER: Chinese government.

DR. BROWN: Right.

DR. LEE: For exporting. So far we acquire things that are not internal or restricted. They are open publications. In addressing outreach programs, after I came, I felt it was very important for us to reach out to academic and other potential user communities. Therefore, we organized an Asian Division Friends Society. We've been successful in the very short time that we have established this society.

In fact, one of the largest gifts we have received is \$300,000 from an individual to enable us to create ten to 15 fellowships for researchers from American universities or individual researchers to come to make use of our Asian collections. We hope this is the beginning. We hope to attract more support of this kind so we can encourage and improve the use of our very treasured resources.

VICE CHAIRMAN ROBINSON: I'd just like to follow up on Commissioner Wessel's question because I'm intrigued by the funding shortfall and how it can be managed because the Library is a national asset. I was wondering if we could probe or understand a bit better why it's the policy to not work with the private sector to attract funding for materials and services?

It sounds to me like high net worth individuals might not present the same problem, and the question of foundations would also be of interest. There are a lot of foundations that would take a very positive view toward helping and it may be that, as you stated, it's restricted to just pilot programs or those sort of seed programs that aren't yet eligible for congressional funding.

I'm wondering about whether those policies are rigid because I think Commissioner Wessel is on to something very important here, that there are substantial resources that could be brought to bear. I just don't know if they would bias the system in some way that's uncomfortable for you or whether we could think about policy adjustments that could open the gates a bit to non-congressional funding. With Katrina's 200 billion starting to turn into 300 billion. In other

words, we're going to get into some tough times, it seems to me, and I think we may have to try to be a little more creative on the funding side. I just want to know what's the rationale for the policy and how rigid is it?

DR. BROWN: Let me step back a minute and just say that the Librarian of Congress James Billington has been an amazingly successful fundraiser, and since he started at the Library, which is I guess about 17 years ago, he's raised, and these aren't the latest figures, but somewhere in the neighborhood of \$120 million for the Library, and some of this has gone into purchases of collections. Almost half of that has gone into funding the Kluge Center for advanced scholarship, some of whose scholars actually have been in the China area.

So there is absolutely no aversion to private fundraising. There's great interest actually in gaining support from the private sector and we have all sorts of partnerships of various kinds, including support for special purchases. Our major donors group, the Madison Council, has been very generous. You may or may not know about the Waldseemuller Map, which was a \$10 million purchase. Some of it was congressional. A large percentage of it was from private donors.

So there is no aversion to it at all. The concern is that if you rely on private funding for basic functions, the funding can come and the funding can go and then the pillars on which your institution rests can get removed. So you really don't want to root your fundamental institutional work in private funding.

Endowments might be a little bit different. If you had an endowment for, say, a curator in the Chinese collections that you have long-term support. If you had an endowment for collections, then you're in a different kind of category, but you really need to be very careful about fundamental functions.

So it's certainly not a rigid policy, but I think those are the principles on which it's based, and unlike, I guess, a lot of things in Washington, we really think about our predecessors of 200 years ago and what we're going to be leaving to people 200, hopefully 200 years in the future, and you don't want to undermine future capacity to sustain the work. So that's the principle. Within the principle, there is certainly flexibility.

VICE CHAIRMAN ROBINSON: Thank you.

HEARING COCHAIR WORTZEL: Commissioner D'Amato.

CHAIRMAN D'AMATO: Thank you, Mr. Chairman, and thank you for that answer and for your testimony. I'm sorry I didn't get to take the tour with you. I intended to. I had another conflict at the last minute, but I would like to get over and also get an orientation.

DR. BROWN: Good.

CHAIRMAN D'AMATO: From what I'm hearing, you've made some major progress in the last couple of years. On the funding, it sounds like you have a sound policy. To me, the Library of Congress is not a charitable organization. It's a national institution that needs to be funded by the Congress. What is your budget projected for 2006?

DR. BROWN: The overall Library budget?

CHAIRMAN D'AMATO: The budget that's being funded by the Congress.

DR. BROWN: I don't know the exact amount. It's around \$400 million.

CHAIRMAN D'AMATO: For the Collection?

DR. BROWN: No, no, for the whole--

CHAIRMAN D'AMATO: For the entire Library?

DR. BROWN: --the whole institution.

CHAIRMAN D'AMATO: In other words, you participate in the divvying up of the budget?

DR. BROWN: Yes.

CHAIRMAN D'AMATO: --from the Office of the Director?

DR. BROWN: Correct.

CHAIRMAN D'AMATO: What would you expect your particular part of that pie to be next year? What was it last year? This year, 2005?

DR. BROWN: Okay. I'm not quite sure what the question is. Remember my responsibility is for all of the Collections and Services Directorate.

CHAIRMAN D'AMATO: Yes.

DR. BROWN: So the Asian Division is one of 16 divisions.

CHAIRMAN D'AMATO: Right. So my question is of the appropriated amounts to the Library for 2005, what part went to the East Asia Division?

You can get back to us on that if you want.

DR. BROWN: Yes, I think I'd have to get back to you in detail.¹

CHAIRMAN D'AMATO: I'm curious as to the level of priority that's given to Asia and to China within the budget of the Library, as opposed to other sectors like the Soviet Union which has been a favorite of the Library for many years.

You're in the Legislative Branch Appropriations measure?

DR. BROWN: Yes.

CHAIRMAN D'AMATO: Whether or not you're getting your appropriate amount there.

DR. BROWN: I can certainly get back to you with the specifics, but I would say in general, if I look at the personnel in, say, the European Division, which is where the Russian staff would be and I look at the personnel in the Asian Division, and even if I just look at those folks who have strong backgrounds in Chinese studies, they're fairly comparable.

CHAIRMAN D'AMATO: Comparable.

DR. BROWN: I would not see that one is greatly favored over the other. I have not done a comparative analysis of the materials budget, but I can say in response to, I think it was Mr. Wessel's question the other night about funding, that the funding for Chinese language

¹ [See Additional Material Supplied for the Record at end of this transcript for Dr. Brown's letter to Chairman D'Amato, October 28, 2005, responding to the question.](#)

materials, and that I'm talking about in Hong Kong, Taiwan and PRC, and I know Hong Kong is part of the PRC--

CHAIRMAN D'AMATO: That's all right. Sort of.

HEARING COCHAIR TEUFEL DREYER: Sort of.

CHAIRMAN D'AMATO: Sort of.

DR. BROWN: --but when we figure, we calculate differently. Sort of. Right. Is somewhere in the range of \$325,000 to \$350,000. And that includes monographs, serials, databases.

CHAIRMAN D'AMATO: For all your acquisitions from those areas from those areas for last year?

DR. BROWN: Right. Is in that range. Of course, it varies from year to year, and there are shifts in the value of the dollar and special purchases and what not, but that has been the range.

CHAIRMAN D'AMATO: Now let me ask you this. Your clients or part of your client base are the committees of the Congress.

DR. BROWN: Correct.

CHAIRMAN D'AMATO: Do you visit with them in terms of their needs? What I'm curious about is to what extent are you connected to the committees and their work? I know CRS gives them--

DR. BROWN: Right.

CHAIRMAN D'AMATO: --but also the Collections, do you connect with them on a regular basis, talk to them, ask them what they need, and do they have a relationship with you, the Foreign Relations Committee, International Relations Committee, the Armed Services committees, the Intelligence committees, the Banking committees? All have major work with regard to the U.S.-China relationship and need materials and information on a regular basis.

So my question is what kind of a relationship do you have with those committees, or is that something that we ought to think about?

DR. BROWN: I would say we have not been proactive in establishing relationships with those committees and there are a number of reasons for that that I could go into. However, individual members of Congress and sometimes individual committees do go to the Asian

Division with particular questions, and Dr. Lee could say more about those specifics. But those members of Congress or committees who are aware of the Asian Division will sometimes come directly to us, but we do not have--

CHAIRMAN D'AMATO: You don't have an outreach program?

DR. BROWN: --aggressively go out to them.

CHAIRMAN D'AMATO: Yes. Lastly, let me ask you a couple of questions about your collections. Do you get unclassified materials on a daily basis from the U.S. executive branch agencies, the State Department, the Defense Department and other agencies, unclassified cables of work? We just went, for example, on a trip to China. A number of unclassified cables were written about our visit. Some of them may be useful in a historical context, and the Library might be interested.

Do you have any kind of a connection to the executive branch in terms of that kind of daily collection of unclassified materials?

DR. BROWN: I believe we don't--

CHAIRMAN D'AMATO: Reports that they do, cables that they write, other materials that they might have available that would be useful for the Congress?

DR. LEE: Non-Asian language materials are acquired by other divisions of the Library of Congress. We do make recommendations, but we don't have direct contact with the government agencies.

CHAIRMAN D'AMATO: Yes.

DR. LEE: So this may be the area that I would like very much to look into. I thank you for mentioning this important--

CHAIRMAN D'AMATO: What we're trying to do is make sure you're relevant to not just CRS, but the Library itself is relevant to the needs of Congress and can lead in some ways the Congress, given the materials you might be able to make available. Thank you very much.

DR. BROWN: Let me just comment. The daily work of the executive agencies and all of their papers go the National Archives. They don't come to the Library of Congress. So I'm assuming the kind of materials you're talking about would be collected and would be saved and preserved for researchers.

CHAIRMAN D'AMATO: Yes.

DR. BROWN: But they would be preserved in the National Archives, not in the Library of Congress.

CHAIRMAN D'AMATO: What I'm getting at is I'm not interested in the researchers here. I'm interested in the policymakers in the Congress.

DR. BROWN: Yes.

CHAIRMAN D'AMATO: There needs to be a way station between the executive branch agencies and the Archives that says this material should go to Congress. This is material that's relevant now for policymakers. That's my question.

DR. BROWN: Yes, I understand.

HEARING COCHAIR WORTZEL: Commissioner Mulloy.

COMMISSIONER MULLOY: I want to join Commissioner Wessel in thanking you for the tour that was given. It was very helpful. Dr. Chi Wang is testifying on the next panel, and I took a look at his testimony. I'd like to ask a couple of questions based on that.

DR. BROWN: Okay.

COMMISSIONER MULLOY: He tells us that I think from 1928 until 2004, there was a separate China Section within the Library of Congress, and that there was a reorganization in 2004, and the individual country sections were abolished and downgraded to teams. He seems to have a concern about that, and I wanted to raise that with you for the record. What was the rationale for doing that, and do you think it was a wise decision?

DR. BROWN: On that question, I think I will defer to my colleague, Dr. Lee.

DR. LEE: Since 1928, when we first established the Chinese Literature Section within the Library of Congress, there are many changes in names. I think the Chinese Literature Section was later changed to Chinese and Japanese Section, and then later on to other

names, and then Chinese and Korean Section, and then Korean Section was separated out and it became the Chinese Section.

There have been many changes in names. This is natural in any organization. When I came in 2003, I felt very strongly a lack of unity within the division and even just within the Chinese Section itself. The individual scholars are specialists. They work more or less on their own. There was no team spirit. So one of the things I was hoping to achieve was to make the whole group of scholars to work together as a team to improve the performance, to increase the efficiencies of the overall performance of the Chinese Section.

Also we are not looking just at the Chinese Section alone because there are four other sections within the Asian Division, Japan, Korea, South Asia and Southeast Asia, and all had similar kinds of problems because of lack of unity, lack of teamwork and spirit.

So I instituted a change, which went through all the approval stages. We now have five very strong areas that are teams: China and Mongolia, Japan, Korea, which includes South and North Korea, and I divided southern Asia into two teams, Southeast Asia and South Asia, to give recognition of the importance, the growing importance of India and other mainly southeast Asian countries. So we are doing very well as a result of this reorganization. I think staff morale when I came was at an all time low. Now it's very high, everyone is really working very hard as a team.

We also tried to build up a back-up system. Before, because of the small number of staff we had, there was no back up. If someone took vacation or got sick, no one else was able to step in. So I instituted the team approach to build up the necessary back-up person for each area of expertise. Now, if someone takes a vacation, or an acquisition trip to China, there is always another person or more than one person to be the back-up person to support our activities. Those are some of the main reasons for the reorganizations.

COMMISSIONER MULLOY: Dr. Chi Wang also tells us that you have overseas bureaus in India, Pakistan, Indonesia, Nairobi, Cairo and Rio de Janeiro, and that these can facilitate acquisition of books. He wonders why we don't have such a bureau for China.

If we have these overseas areas, I would think China is more important than some of the ones you presently have in terms of U.S. national interests. So how do you make a decision or can you reallocate an existing one and the resources that are funding, say, a bureau in Nairobi or Cairo and put them in China? Is that something that you

would think about in order to take care of some of the concerns that this group has about what we're acquiring from China?

DR. BROWN: It's a very good question, and it's one we wrestled with when we got the Luce grant, and when we were thinking about the grant, when we got the grant, because the question became what is the most cost effective means of securing the best materials we could get from China? So we started with a basic question.

One of the things about the overseas offices is that they are actually quite expensive to run. They either have their own real estate. They're often within the U.S. Embassy complex. They're taxed, as it were, at embassy rates and, of course, now, this year, we had a great increase because of increased security. Many of them have other functions. They will do cataloging. They will do microfilming. So they're more than just facilities for collecting materials. So as we looked at China, and as I said, asked the fundamental question, what's the most effective means of getting materials at the least cost, we decided to try this other model, which enables us to have the intellectual quality of experts.

The overseas office might not want me to say this, but I think we probably have more scholars and librarians working to feed the Library material than the overseas offices. We have the intellectual level of the people who are working for us is very high, and yet the cost is very low because we didn't build any new infrastructure.

These people have their own computers and their own desks and they have their own networks. So our experience, and this is again part of why you pilot a program, was that, in fact, we were getting excellent materials at comparatively lower costs by using the new model, and I'm not remembering now all of the detail, but there were some preliminary looks at what it would cost to have an overseas office if you have an American overseas, and there are all sorts of other costs that go into that. So this was, as I said, it was a pilot of a fourth way of getting materials that has been, so far has been very effective.

COMMISSIONER MULLOY: Mr. Chairman, let me make one observation on that. You have a resource problem apparently, and the Luce money is finishing up, and if you don't get the money from the Congress or some other foundation, you may have to choose priorities between some of these overseas offices and China.

My own judgment in looking at this is probably China is emerging as such an important issue for the United States, if you can't

resolve this some other way, you really ought to give consideration to whether you want to wrap up one of these other offices through acquisition teams going out, and put your permanent facility in the new embassy. They're building a new embassy in China right now, and you can get your foot in the door maybe before that space is gone.

Thank you.

HEARING COCHAIR WORTZEL: Thank you very much. Commissioner Dreyer.

HEARING COCHAIR TEUFEL DREYER: Thank you. It's very good to hear about all this progress that's been made since my report, and I'm wondering--I have a lot of questions--about the offsite storage base issue. How far off site is the storage, and is it necessary for scholars to go there or can you arrange for the materials they request to be brought to the Library? Are people happy with this? I mention this partially because my own university's library ran out of space and they set up an offsite storage facility that many people are most unhappy with. What has been your experience?

DR. BROWN: Actually our experience has been wonderful. The offsite storage facility is in Fort Meade. I'm not very good about distance, but it's about 40 miles away, a 45-minute to an hour drive. We have I think it's twice a day delivery of materials. Commissioner Wortzel will be happy to know that we sent some of the less used material, including literature, off to Fort Meade, so that we have the higher use and more, the newer material on site.

HEARING COCHAIR TEUFEL DREYER: This is the Tang poetry he mentioned.

DR. BROWN: The Tang poetry. We keep a little Tang poetry nearby. You wouldn't want to be without it all together.

HEARING COCHAIR WORTZEL: It's my failure.

DR. BROWN: No, I studied a lot of Tang poetry. It doesn't help in military affairs. The other thing about Fort Meade which has been quite wonderful is that they are new buildings and they're designed just for books, and the climate control is excellent. We don't send anything out unless it's been absolutely under close bibliographic control. I'm not sure how many years it's been open--five or six years we've had some facilities. We've had 100 percent return rate, so our experience with offsite storage has been very good.

I should say it is not a site that provides reader services, so if a reader wants some material, we send for it and bring it back. So if you ask in the morning, you can get it in the afternoon. Or ideally, if you can identify what you want a day before, we can have it there for you when you arrive.

HEARING COCHAIR TEUFEL DREYER: But I notice, that certain improvements are yet to be made. For example, I'm looking at journal entitled Knowledge of Weaponry, and Ordnance Knowledge here on the lists you've provided, and I see that in 2000, there are fewer missing issues than there were in 1989, but that there are still a number of missing issues. What is the reason for that?

DR. LEE: It was a problem that the dealer did not automatically renew the publication at the end of year 2000. As soon as we found out they were missing in two years, 2003 and 2004, We reminded them to reorder to resubscribe. We got one issue in 2004, but now the other issues should be coming in because I just double-checked--

HEARING COCHAIR TEUFEL DREYER: Okay.

DR. LEE: --to be sure we have--

HEARING COCHAIR TEUFEL DREYER: And hopefully something is being done so that the dealer doesn't let the subscription lapse?

DR. LEE: Right, right.

HEARING COCHAIR TEUFEL DREYER: Because this is very awkward.

DR. LEE: Sure, sure.

HEARING COCHAIR TEUFEL DREYER: Okay. I notice in your long list of what you're acquiring, that there's women studies and Taiwan studies and heaven-knows-what studies. —But you mentioned nothing about ethnic minorities.

DR. BROWN: Oh, we do, yes.

DR. LEE: Yes, we do.

HEARING COCHAIR TEUFEL DREYER: So that would perhaps come in under the Southwest Collection or the Western Development Project?

DR. LEE: Yes. The Chongqing representative actually covers a lot of minority group publications, in both the western and southwestern part of China and —also the northeastern part of China as well. And we also have a new area specialist just recently added to our staff, and her expertise is on Muslims in China.

HEARING COCHAIR TEUFEL DREYER: Good.

DR. LEE: Particularly the western part of China.

HEARING COCHAIR TEUFEL DREYER: Muslims, yes. So, in other words, not just Hui, but also Uighurs, Kazakhs, Donggan, and so forth?

DR. LEE: Right, right.

HEARING COCHAIR TEUFEL DREYER: What about making these available electronically so that hypothetically someone who lives in California could access the Library's collection of a particular Chinese journal electronically? Does that pose copyright problems? Do you do that?

DR. BROWN: There's copyright.

DR. LEE: Licensing problems because the publisher doesn't want us to make them available universally. We acquired these digital journal newspapers but they have to be used within the Library.

HEARING COCHAIR TEUFEL DREYER: Oh, that's awkward.

DR. LEE: But the researchers can bring their disk and they can download. Once downloaded, they can do whatever they want. But under our licensing agreement, we cannot put these databases on the web to make them accessible for scholars. The Library of Congress is also doing some of our own digitalizations for things not under the copyright control. Those things can be--

HEARING COCHAIR TEUFEL DREYER: So, in other words, if this hypothetical scholar in California wants to access Ordnance Knowledge, you could arrange for a disk to be downloaded?

DR. BROWN: No, we cannot do that.

HEARING COCHAIR TEUFEL DREYER: You cannot do that?

DR. LEE: They have to come--

DR. BROWN: We're like the minister's child. The U.S. Copyright Office is part of the Library of Congress, and so we are very strict in adhering to copyright laws, in my experience, even probably more so than university libraries.

For your hypothetical researcher in California, what we could do is if there's a particular item that they want, we could print it out and mail it just as if it was from a book. We would make a Xerox copy and mail it, and that would fall under--

HEARING COCHAIR TEUFEL DREYER: So it would be like this maybe?

DR. BROWN: --fair use. Well, of course, the amount of material that we will Xerox and send or print and send is a lot more limited, but until there are adjustments in the copyright law, we are going to abide by it in sort of the strictest sense, and whenever there is an issue, we run down the hall, as it were, to lawyers in Copyright and get judgment as to what we can do and what we can't do, and we abide by those.

HEARING COCHAIR TEUFEL DREYER: Kind of annoying for the hypothetical scholar.

DR. BROWN: Oh, it is definitely annoying.

HEARING COCHAIR TEUFEL DREYER: Yes.

DR. BROWN: But it's the law.

HEARING COCHAIR TEUFEL DREYER: Dr. Lee mentioned open source data, which is what you collect. As many of us know, the interesting stuff tends to be in the neibu and neican and those kinds of sources, which are often quite freely available in Hong Kong bookstores. In fact, there's a store called Sunshine Books in Hong Kong and other places like it that specialize in such non-open source materials.

Are you concerned that if you acquire neibu data, that there may be some problem down the line?

DR. LEE: We supplement our regular acquisition in China from Hong Kong and from Taiwan. Therefore, if the material is marked "internal circulation only by the Chinese government," we try to treat them very carefully because there is, I think--

DR. BROWN: Right. We do not, as a matter of policy, we do not collect "neibu" and again, we're a government agency. We're not a university. I believe universities are often a little less stringent in that area, but as a government institution, we honor those classification requirements.

HEARING COCHAIR TEUFEL DREYER: I see. Okay. Final question. Dr. Lee, Dr. Brown, you mentioned that Dr. Lee gets a great deal for the Library because of his respected position within the field. You also mentioned that if personnel changed, this may be a problem. Here is my concern.

While I applaud your efforts in applying for grants to supplement the budget available, I am concerned that this is something that Congress probably should be funding. Naturally, the more you get from private sources, the lower our taxes may be. So I can only be happy about that, but this is a concern because I imagine a large amount of your time is spent applying for grants and scurrying around to see what grants are possible, and is there a long-term support kind of goal, and these grants have to be renewed periodically; correct?

DR. BROWN: Yes. It depends on what the grant is. Obviously, the Luce grant was for a particular period for a particular purpose, and you have to balance the amount of time you spend looking for grants with the amount of time you spend, doing your work.

HEARING COCHAIR TEUFEL DREYER: Exactly. And you could probably do your work better if you did not have to spend so much time applying for grants.

DR. BROWN: Right. In fact, we don't really have a huge amount of time to look for grants. At the time that I got that grant, my responsibilities were a lot less and at this point, if you'd ask me to write such a grant, I'd probably laugh because evenings and part of the weekends are already taken up with Library work.

HEARING COCHAIR TEUFEL DREYER: My concern is that, although I am very pleased to see the improvement in things over the last ten years, you indicate that a large part of this is due to Dr. Lee,

and I don't want to have to sit here, assuming I'm still around ten years from now, and hear about, the good old days when Dr. Lee was here, because and now the situation has regressed to the way it was in 1995.

I realize you won't have this off the top of your head, but if you could get back to us with some figure that you think would be useful for long-term support of the Library collections without relying on the kindness of strangers, so to speak, perhaps we could try to help you get that figure.

DR. BROWN: Yes. We certainly appreciate whatever help you could provide and appreciate the fact that you are anxious to provide that help. And although, as you said, we're very happy to have particular assistance, and Dr. Lee, the Library of Congress is an institution, and we do have to think institutionally. As someone who has spent a lot of time studying China over the years, I am extremely aware of the great importance of China, of its long history, of the way the Chinese have thought about their own appropriate position in the world as the Middle Kingdom, and their sense of earlier humiliation in the 19th and early 20th century, and how that gets played out in the 21st century now. I take these issues as seriously as you do, and I do think we need institutional responses and the personnel is a great addition, but we need institutional solutions.

At this point, I can say we don't have a good institutional solution. We're looking for them. We've certainly made our efforts. We have the Library's in support. We'll look at internal changes, but we do not have a good solution at this point.

HEARING COCHAIR TEUFEL DREYER: So, and this is my last statement on this, perhaps a request, a recommendation from this Commission that the issue of long-term institutional support be addressed would be something you would be comfortable with? Good. Thank you.

DR. BROWN: Right.

HEARING COCHAIR WORTZEL: I hesitate to allow Commissioner Wessel to ask another question.

COMMISSIONER WESSEL: A very quick question. If I remember, the other night you indicated that your advisory group, the people in China, had recommended I believe it was somewhere in the neighborhood of 5,000 acquisitions, but you were only able to acquire roughly half of them, meaning that what has been identified as useful to us, we're falling short for a variety of reasons.

Adding to all of the comments that have been made about the need to ensure long-term sustainability of the budget and to meet policymakers' needs, we really want to work with you on trying to address that.

DR. BROWN: Thank you.

DR. LEE: Thank you.

HEARING COCHAIR WORTZEL: I have a final one. The Hoover Institution has a collection of a lot of the internal dissident writings from the Democracy Wall movement. UCLA has a lot of the internal dissident writings from the Tiananmen massacre. Do you have a collection of dissident work?

DR. LEE: We do.

DR. BROWN: Well, but we really as a matter of policy, we do not want to collect that kind of material. Now some of it is, sometimes in various ways has arrived in the collections, but we're not the Hoover Institute. We are a government institution.

HEARING COCHAIR WORTZEL: Well, I thank you for the testimony today. I'm very impressed, and I said to Cochairman Roger Robinson that I've been very impressed with what I've heard about the management decisions you've made. I think you've done a wonderful job for our country and for the Congress and the Library in managing a difficult issue, thinking it through carefully, with principles, and following a strategy.

Thank you again for your service, and we'll take a five-minute break here.

CHAIRMAN D'AMATO: Yes. Thank you very much.

DR. BROWN: Thank you.

DR. LEE: Thank you.

[Recess.]

PANEL: MEETING GOVERNMENTAL CHINESE LANGUAGE RESEARCH NEEDS

OPENING STATEMENT OF COMMISSIONER JUNE TEUFEL-DREYER, HEARING COCHAIR

HEARING COCHAIR TEUFEL DREYER: Good morning, ladies and gentlemen. I am particularly looking forward to this hearing because not only I am a former employee of the Library of Congress, but

in 1995, sometime after I left the Library, I was commissioned to conduct a study of the Library's Chinese language holdings with regard to documents related to national security interests.

The results show that the collection was seriously lacking in many respects. My colleague, David Shambaugh, whom I happened to meet at an Association for Asian Studies conference in 1999, told me he was doing a study on the exact same topic, from which I concluded that there had been a perceived lack of sufficient progress between 1995 and 1999. In his study, my colleague, Professor Shambaugh, reached similar conclusions to those of my study, and he included in his report such devastating organizational findings as a five-year backlog in cataloging new acquisitions.

The Commission addressed the status of the collections in its 2002 Report to Congress. It concluded that improved collections were necessary for policymakers to have a clear understanding of Chinese perceptions toward the United States.

Today, we have an ongoing debate on whether China is a friend or a foe or something part way in between. We cannot hope to address this issue intelligently without access to the Chinese documents themselves. What are Chinese commentators saying, not just to us in English, but also to each other in Chinese?

It is my understanding that there have been several improvements since both my 1995 study and Professor Shambaugh's 1999 study such as new online catalogs and the expansion of the Chinese periodical section.

These changes are important, but it is my belief that many more improvements remain to be carried out. We certainly thank Dr. Brown and Dr. Lee for their testimony.

The second panel will consist of the aforementioned Dr. Shambaugh, who is Director of the China Policy Program at George Washington University. In addition to many China-related topics in which he is an expert, Professor Shambaugh has extensive knowledge of the mainland China publishing industry.

Next we will hear from Dr. James Mulvenon, Director of Advanced Studies for the Center for Intelligence Research at DGI, Incorporated, and a frequent consumer of the Library of Congress's Chinese collections and services, as well as a frequent witness in front of this committee, the last one being just yesterday.

Finally, we have Dr. Chi Wang, the former head of the Chinese section of the Library of Congress, who has a long and distinguished career in Chinese language library collections.

Thank you all for joining us. Dr. Shambaugh, I turn it over to you.

[The statement follows:]

Prepared Statement Of Commissioner June Teufel Dreyer, Hearing Cochair

Good morning. I am particularly looking forward to today's hearing. In 1995, I was commissioned to conduct a study of the Library's Chinese language holdings with regard to documents related to national security issues. The results showed that the collection was seriously lacking in many regards. My colleague and one of today's panelists, David Shambaugh, conducted a similar study in 1999. He reached similar conclusions, including such devastating organizational findings as a five-year backlog of cataloguing new acquisitions.

The Commission addressed the status of the collections in its 2002 Report to Congress. It furthermore concluded that improved collections were necessary for policymakers to have a clear understanding of Chinese perceptions toward the U.S. Today there is much debate whether China is a friend or a foe. We cannot hope to be able to address this issue intelligently without recourse to the Chinese documents themselves. It is my understanding that there have been several improvements since both my 1995 study and Professor Shambaugh's 1999 study, such as new online catalogues and expansion of the Chinese periodicals section. These changes are important, but I fear many more remain.

Today's second panel will consist of the aforementioned Professor David Shambaugh, who is Director of the China Policy Program at George Washington University. In addition to the many China-related topics he is expert in, Professor Shambaugh has extensive knowledge of the mainland China publishing industry. Next we will hear from Dr. James Mulvenon, Director of Advanced Studies for the Center for Intelligence Research and Analysis at DGI Inc. and a frequent consumer of the Library of Congress Chinese collections and services. Finally we have Dr. Chi Wang, the former head of the Chinese section of the Library of Congress. He has a long and distinguished career in Chinese language library collections.

Thank you all for joining us.

STATEMENT OF PROFESSOR DAVID SHAMBAUGH, DIRECTOR, CHINA POLICY PROGRAM, GEORGE WASHINGTON UNIVERSITY, WASHINGTON, D.C.

DR. SHAMBAUGH: Thank you, June. I did not submit a written statement prior to this hearing, but if you can indulge me about ten minutes, I'd like to open with an oral statement.

CHAIRMAN D'AMATO: That's fine.

HEARING COCHAIR TEUFEL DREYER: In theory, David, you have seven minutes, but the chair is prepared to be forgiving.

DR. SHAMBAUGH: Thank you. I'll try and be succinct. First, let me thank the Commission for inviting me to testify. I have to be honest and say that after my first appearance before this Commission in its first year of activity, I promised myself that I would not return. I have, in fact, turned down a number of invitations to testify before this Commission since then including yesterday's hearing on the Taiwan Strait military balance.

However, I think this issue before us today is of such importance, both to our nation, but to myself--I'm a bibliophile at heart--that I am happy to accept the invitation today.

Secondly, the subject of this part of the hearing, I gather, at least on the schedule, is meeting government needs. Now, I and neither Dr. Wang nor Dr. Mulvenon are from the government. So I'm not sure what the Commission is trying to get at in this particular session, but I would encourage amongst other recommendations that you hold subsequent sessions with people from the executive branch and, in fact, the legislative branch and the intelligence community and the Foreign Broadcast Information Service in particular, to get their views of government needs.

Nonetheless, I'll try and give my own sense of what government needs are with respect to open sources. The events of 9/11, again, raised the importance of "open sources" and open source intelligence, or so-called OSINT, for the United States, and indeed the 9/11 Commission report, among its many recommendations, was to create an open source intelligence center inside the U.S. intelligence community.

Whether that center would be housed physically in the CIA or elsewhere under the new National Director of Intelligence was left open by the 9/11 Commission, and it's a little unclear to me where progress on creating such a center is at the moment. But, nonetheless, the point here is that both the events of 9/11 with respect to the Islamic world in particular, but the 9/11 Commission report have drawn us back to something that we understood very well during the Cold War, the importance of open sources, that is to say non-classified openly published materials, in a variety of countries for helping to understand those nations.

During the Cold War, of course, the U.S. intelligence community, but also the scholarly community benefited tremendously by efforts to collect, and translate such materials from the former Soviet Union, Eastern Europe and Communist world.

The U.S. government used these materials to supplement what they collected through so-called "national technical means," as these materials offered unique insights into politics, society, and military affairs of those countries. The Foreign Broadcast Information Service, FBIS, and the now defunct Joint Publications Research Service, JPRS, led the way in this effort, and contributed significantly to our intelligence capability but also very much to our scholarly capability. I would just like to make the point about the synergy between the scholarly community and the intelligence community during the Cold War years.

That is crucial, and it is a relationship that has atrophied and I would say broken down since the end of the Cold War and needs to be rebuilt.

Part of the rebuilding effort indeed involves open source materials. Now, JPRS, as I say, has ceased to exist. Just for the record, the distinction between what FBIS and JPRS translated was that JPRS translated exclusively books and periodical materials, where FBIS translated more broad media coverage, newspapers, television, radio, intercepts, that kind of thing.

So, where we have been left ever since the closure of JPRS is that there is no agency in the U.S. government translating books at all, and periodicals very much. That's one real lacunae, in I would say national security vulnerability that needs to be rectified.

Open source materials out of China I need not tell you in this Commission, have exploded over the past decade plus. Our national collection efforts, be it the Library of Congress or private sector universities, have tried to keep up with this explosion. It's an impossible task.

One has to be selective no matter if you're a private university or the better endowed Library of Congress. But the real question for the government is the collection of and the translation of these materials and the provision of these materials to government policymakers and intelligence community analysts, and I'm not in a position to make a judgment on that. I'm not in the U.S. government nor the intelligence community -- so I don't know.

But, again, with respect to China and the Islamic world, it is clearly of highest national priority that we be systematically collecting materials, translating them, and getting them on to the desks of policymakers and intelligence community analysts. FBIS, in particular, has a unique role to play here. Again, I encourage you to hold another

set of hearings in which you bring FBIS personnel before this Commission.

Now, the Library of Congress has been trying to implement the findings of the two reports that you mentioned, June. Let me just make note quickly of efforts that are being done in the private sector to rectify the LOC collection or the insufficient collection of materials on Chinese national security, foreign affairs, and military affairs in particular. I'll just speak briefly about one such effort at George Washington University, where in 2003, we created a China Documentation Center which we would like to think would become a national if not international repository of materials in these three subject areas: national security, military and foreign affairs. We like to think that we have created such a national/international repository.

One reason we did that is because frankly the Library of Congress was not fulfilling its role as a national and international repository in these issue areas. That was clearly identified in the report that you participated in as well as in mine.

So over the last three years, we have built up this China Documentation Center that now includes more than 4,000 volumes of books, over 60 back sets of periodicals, many of them very unique--they don't exist anywhere else in the United States--in these three subject areas, and we are going to supplement our collection in those three subject areas with new holdings or new acquisitions, I should say, in the areas of Chinese Communist Party, Chinese government, Chinese economy, Chinese society, to include ethnic minorities. We have recently had promises of gifts of more than 2,000 volumes on the Chinese Communist Party and Chinese government, that will be made early next year, and a similar number, again about 2,500 books on the Chinese economy, which will be gifted. So our collection six months from now will be somewhere on the order of 8,000 volumes. It will double.

We are trying to build such a collection at George Washington that is high in quality in these subject areas. I can elaborate more on that collection if you're interested.

Let me just finish by offering a couple of observations and suggestions for this Commission, more broadly the Congress. What I think is needed is that the Congress, but particularly the House and the Senate Intelligence and Armed Services committees, (a) recognize the need and importance of such open source materials and translations for

U.S. national security. They've got to focus on the issue. The 9/11 Commission report, as I say, did.

But there needs to be congressional follow-through on that aspect of the 9/11 Commission report. We've seen in the aftermath of Hurricane Katrina that there wasn't follow-through in other aspects of the 9/11 report, but there is this OSINT aspect of the 9/11 Commission report that Lee Hamilton in particular felt strongly about. Congress needs to follow up on it.

Secondly, as I mentioned, this Commission or other committees in Congress need to hold hearings, closed session hearings, I would suggest, with FBIS and consumers, so-called consumers in the intelligence community and the executive branch, on use of open source translated materials.

Three, Congress needs to stimulate a major legislative initiative with real resources for FBIS, but other executive branch agencies as well, to translate particularly books. I cannot emphasize enough the importance of translating books and periodicals. FBIS' priorities are on Internet materials, electronic media, newspapers, television and radio. As I say, since JPRS went out of business, nobody is translating books. There's a tremendous amount of information about the Chinese military, and Chinese Communist Party, in books. In fact, it's a great myth, I think, when I hear it said that the Chinese military and the Chinese Communist Party are not transparent institutions.

I reject that. They are highly transparent institutions, if only you read the materials that both of them publish. If you can read Chinese, and if you can't read Chinese, that these materials be translated into English for those who can't.

If you do read these materials, you can learn all sorts of things about how both the party and the military, as well as other institutions in China, function.

So this is an issue not of academic interest to scholarly research; this is an issue of American national security and intelligence analysis. I think it's imperative that our intelligence community has those materials translated and put before them, and it's imperative that FBIS and other agencies do this for them and it's impossible that FBIS and other agencies can do this without the resources and the commitment from Congress to do that.

June, one thing you said at the end of the last session was the need to understand how the Chinese speak to each other. I could not agree more. We need to understand what the Chinese say to each other both in a variety of forms but including in published forms. We need to understand China from the "inside-out", not from the outside-in," i.e. imposing our misperceptions, our ideologies, our biases and our views on China.

We need to understand the internal discourse of China. That's an intelligence issue of major national security concerns, and that's why I thought it was important to come before you today for this issue. Thank you for your indulgence of time.

HEARING COCHAIR TEUFEL DREYER: Thank you so much, Dr. Shambaugh. I am among the many people who lament the demise of JPRS, and the deterioration of FBIS, which simply is not as good as it used to be. You have made an excellent suggestion that we get back with the FBIS people to see what we can do.

Dr. Mulvenon.

STATEMENT OF DR. JAMES MULVENON, DIRECTOR, ADVANCED STUDIES, CENTER FOR INTELLIGENCE RESEARCH AND ANALYSIS, DGI, INC., WASHINGTON, D.C.

DR. MULVENON: Thank you again to the Commission. I feel like at this point I should have my calls forwarded here.

Once again, I lead a team of nine Chinese linguist analysts at the Center for Intelligence Research and Analysis, although I hope by the end of the calendar year, to make it maybe perhaps as many as 13, that specialize in doing what we consider to be leading edge, open source and gray literature exploitation of Chinese language material to answer critical, what the intelligence community calls "hard target" type questions. The most important issues that for a variety of reasons "national technical means" that Dr. Shambaugh referenced have been unable to penetrate.

In particular, we continue to do a lot of the work that I have done in my career on Chinese military affairs, collecting sources from a wide variety of areas. You'll pardon me if I'm demur about our field work in this area, but in particular I knew that Dr. Shambaugh would focus on military affairs in a number of areas, and I wanted to focus on an additional area that we do a tremendous amount of work on just to allow you to see a broader picture of the situation.

We do a lot of work exploiting Chinese language materials on scientific, primarily defense research development and acquisition activities. And I'd like to make three points to this end.

One is that clearly there have been a number of occurrences in the last couple of years that highlight the importance of preventing strategic surprise of the development of Chinese military systems.

Just as one public example that I would highlight was the previously unheralded appearance of the Yuan-class diesel-electric submarine, which may in fact have air independent propulsion. We do not want in the future to be in a situation where the first time we see this is on imagery when it rolls out from underneath the pen for sea trials, and more importantly we don't want the first time we see a photo of it to be on an internet enthusiast site devoted to the Chinese military. We'd prefer to have a little bit more advance warning than that.

So with that in mind as the stakes of what we're talking about, in my view, based on our work, the current explosion of Chinese language materials on science technology and in particular defense R&D are the best way to fulfill the four missions that we really hope that the government can achieve.

We do work very closely with FBIS as well as the other agencies that are involved in the collection and exploitation. As a taxpayer, I must say sometimes I'm deeply troubled by the fact that they need our services. As a businessman, of course, I'm deeply appreciative, but as a taxpayer, I must admit that there are some dark moments where I'm appalled.

But the four missions that I would highlight are (1) to anticipate these developments on the mainland, and here you must go back to the basic R&D level. You have to be ten years back in the pipeline to understand the basic R&D that the Chinese are doing on these subjects which is covered copiously in a lot of the materials that are now available.

Second, and I'll be frank here, there is a an imperative national security need in many cases to interdict a number of these trends, whether it's a counterintelligence focus on the activities of PRC nationals and their fronts in acquiring specific componentry or know-how in the United States. One only needs read yesterday's paper about another set of arrests in New Jersey involving companies that were operating for almost 15 years in acquiring C4ISR related technologies in

the United States. Interdicting it from a counterintelligence perspective, from a law enforcement perspective, and even from a foreign intelligence perspective in terms of understanding the network that creates these situations.

Third, to actually understand the progress being made in these R&D areas up and to the point of the actual deployment of these systems, to the point where we then because of our knowledge of the basic R&D, actually then also have a knowledge of the potential capabilities as well as the vulnerabilities of these systems.

Fourth, using this vulnerability information to develop our own capabilities to counter some of these new advances on the Chinese side. Given the time lines, though, of countering, seeing the Yuan-class submarine on imagery as it came out for sea trials means that we're five and maybe even ten years behind the curve on coming up with specific things.

I would only highlight if it is air independent propulsion, for instance, developing a new suite of anti-submarine warfare sensors to be able to pick up this specific signatures of air independent propulsion will require significant retooling of our current sensor suite.

I would just like to highlight some specific recommendations. My organization is a copious consumer of the Library of Congress' Chinese holdings. I would highlight that the Library of Congress was prescient in finding something that we found early on to be incredibly powerful, which is the China National Knowledge Infrastructure database system, which is a digitized database on the China academic journal side of more than 6,000 journals, back to the early 1990s, covering perhaps maybe 15 million articles. I could discuss at more length some of the interesting things you can do with this data, even if you don't know what single blade turbine fan is in Chinese, there's some tremendously powerful analytical things that you can do with this to achieve, to succeed in the four missions that I outlined.

But the Library of Congress does not subscribe to the entire China Academic Journals database underneath CNKI. As a very preliminary suggestion, I would say that they at the very least need to add the agricultural and medicine databases if only because we have found in our work those to be incredibly powerful tools for long-range indications and warning of SARS, AIDS and avian flu problems on the mainland, because these things are being discussed at length in Chinese journals in Chinese well before they're admitted to the World Health Organization.

In addition, I would highlight two additional sub-data bases of CNKI that Library of Congress does not currently subscribe to which again we find to be very powerful tools. One is the Dissertation Database that they have which outlines the dissertation work of anyone who receives a Ph.D. in China, which not only allows you to examine the content of these dissertations, but also to build the kind of social network maps that we build connecting people's dissertation advisors to their graduate students.

Some people continue to have closer relationships with their dissertation advisors than others. I won't make any personal comments.

Finally, the Conference Abstracts Database that CNKI runs, which monitors over 400 international and national scientific conferences in China and publishes the abstracts of the papers that are presented at those conferences. So if those papers are never actually published openly in journals, we can nonetheless get coverage on them.

And finally, there's an entire different commercial suite of databases that is run by the Wanfang Corporation which we find give us different types of insights than the China National Knowledge Infrastructure, and we like to use both of them as supplements to one another.

The databases that Wanfang offers are listed in my written testimony and I commend them to your attention. Thank you.

CHAIRMAN D'AMATO: Thank you very much, Dr. Mulvenon. Dr. Chi Wang.

STATEMENT OF DR. CHI WANG, COCHAIR, THE U.S.-CHINA POLICY FOUNDATION, WASHINGTON, D.C.

DR. WANG: Good morning. Chairman D'Amato, Vice Chairman Robinson, Commissioner Dreyer, Commissioner Wortzel, I am honored to appear before the U.S.-China Economic and Security Review Commission this morning.

I have been asked to give my thoughts and to answer questions for this public hearing titled "An Examination of the Library of Congress Chinese Holdings."

In a few moments, I will present a statement that will address as requested by the Commission the changes in the Library of

Congress language holdings within the last decade, my general assessment of the current Chinese language holdings, what government needs should be met by the Library of Congress China collection, are these needs being met, and if not, what I see as the major flaws in the collection, and my recommendations on how to better align Library of Congress China collection with the needs of the government.

Until last October, I was an employee of the Library of Congress for almost 50 years. I do not foresee in the future anybody would stay in the Library of Congress for 49 years. But when they first offered the job to me in 1950s, I did not intend to stay there for 49 years. I really fell in love with the Library because I love books; I like people. Without those two factors, you cannot work in the Library of Congress or in any library. You must be willing to help the readers. In the Library of Congress, you must be willing to help the congressional staffers and the people who come to the Library of Congress to do specialized research and you must be interested in reading Chinese books. I don't mean you are paid for reading books in the Library of Congress, but you must be able to find out what are the current publishing trends in China.

I was very, very lucky. I had my predecessors, Dr. Arthur Hummel, who founded the Division of Chinese Literature in 1928 and later on succeeded by Dr. Edwin G. Beal, Jr., who was the head of Chinese Section, and then my predecessor, Dr. K.T. Wu, the most eminent China scholar and also librarian, and I learned a lot of things from these gentlemen.

The Chinese collection, almost a million volumes today, does not happen just yesterday. It took a lot of effort from many, many scholars in the Library, outside the Library, and people like Dr. Shambaugh, he's very much interested in China collection. Many, many scholars including Commissioner Dreyer are interested in Chinese collection. This helps the Library build a solid collection.

In the early years, from the 1920s to 1949 or '50, the collection was based on building a traditional Chinese study collection. After '49, the PRC was established, particularly after the Korean War, our entire division immediately established a Korean Unit to study Korea, and the trend in those years, the chiefs, the senior managers, they know what is the need of the nation. From the 1950s, I was able to work for the Library of Congress. 1950s until early '90s, the Asian Division was able to build a very good solid contemporary China collection because the study of a traditional China no longer was the dominant feature interest of American scholars.

Many young American China scholars emerged during the 1950s, '60s, '70s from different universities. In the mean time, many East Asian libraries also were established throughout the United States. So the Chinese section in the Library of Congress played a leading role to set the trends of the China studies in the United States.

Many American China scholars when they study advanced degrees, Ph.D., or master's degrees, before they finish their dissertation, most of them will come to the Library of Congress to consult the Chinese matters as a last resort. This kind of situation changed. It didn't happen after the 1990s because the Chinese collection, especially on contemporary China, lagged behind. Other university libraries had a much better method approach to acquire contemporary Chinese collections.

The commissioners here, they come and ask me, you are the head of Chinese Section for 30 years, why didn't you do something about it, which is a very legitimate question. Believe me, I tried. I tried. For example, Commissioner Mulloy this morning asked why there are six field offices and we do not have a Chinese one?

I pushed that since 1968. Never did the Library give us a good answer why we cannot establish a Chinese field office. Is it because of budget? I do not think so. If the Congress, the Library of Congress, really introduced a bill to the congressional budget committees, I'm sure they would consider it. If we have six offices, why not one for China?

Now, with regard to whether contemporary China can meet the needs, there is no question. We have a pretty good contemporary China collection, but it's not good enough. We need more. I think Commissioner Wortzel mentioned when he went to the bookstores in China to pick up a lot of military books, books on security studies. I do the same thing. I retired, but I still go to China three or four times a year on my own because I like to visit bookstores. Every time I picked up books, I brought them back, I enjoyed them.

I intend to give them to George Washington Library, the Center for Contemporary Studies, to Dr. Shambaugh, because that center, I've been there once, is a very small, but it is a very good center.

Now, how to improve the Chinese contemporary collections which is the trend in our nation because China is rising. The United States cannot stop the rising. Whether we like it or not, that's reality. We must try to have a deeper understanding of what's going on inside

China. At the present time, for the last three years, there's more than 175,000 titles published in China, but it is impossible for the Library of Congress to collect every title.

There are more than 500 certified major publishers in China, not counting those small publishers in provinces and counties. Out of the 535 major publishers in China, 300 of them are located in Beijing. If anybody is interested in collecting Chinese books, if you take a trip to China, if you just concentrate your effort in Beijing alone, you'll get most of the important Chinese publications because every time I go there, I ask the [in Chinese] bookstore people--these are called [in Chinese] bookstore, and I ask a clerk, I say why don't you bring a book with you. Let me pull out a book on the bookshelf because I can spot the books, which ones are more important for the Library of Congress, and then since 1970s, I was very lucky.

In 1972, the State Department at the recommendation of the Librarian of Congress, Dr. Manford, sent me to China with the approval of Dr. Henry Kissinger. I was the first American librarian to visit China to try to reestablish an official exchange with National Library of Peiping. It was a successful undertaking and from that time on the Library of Congress received hundreds of books every year. Later on, after 1979, annual average, we received between 12,000 to 17,000 volumes of books free from the National Library of China.

But it stopped in late 1990s, early '90s. I think we should look into it on why it stopped? The books should be coming in. If the Chinese are willing to send books between 1979 to 1989, average 15,000 volumes per year. During those ten years, we built up 150,000 volumes contemporary China books.

Now, I want to conclude my oral presentation. I think that the Commission should start an inquiry into why the Library of Congress China collection began to deteriorate for the past ten years from 1993 or '94?

Second, I would recommend the Library of Congress reestablish the Chinese Section with an advisory committee consisting of three or four outside scholars to visit the collection periodically, preferably every six months, talking to the Chinese area specialists, the Chinese reference librarians, and interview the users. Only that way, we can be assured that in the future, the Chinese collection including contemporary China or maybe [Chinese] China will play a leading role again in the nation.

Third, we should establish an acquisition facility for presence in Beijing with one director, one assistant from United States, two local employees. I've been thinking about this for many, many years. It's not going to cost million dollars. That's not true. In India, at one time, we had 200 employees in New Delhi.

COMMISSIONER MULLOY: How many?

DR. WANG: 200. I don't know how many they have there now. We have one in Jakarta and one in Pakistan, Nairobi, Rio de Janeiro, and Cairo. Those countries are important. Middle East, South Asia, but I think China is even probably more important in the future for our American national interests, for congressional interests, for academic interests and for think tanks like Dr. Mulvenon and professors like David Shambaugh. I think this all can be done.

Last recommendation. In the Chinese section, during the time I was head, for 30 years, we need every specialist from China with a strong knowledge of contemporary China. The area specialists must have a degree in contemporary China studies, not study English or Chinese literature. It's not going to help to build a contemporary Chinese politics, military science, and economics. This requires a special knowledge. The person must understand the publishing changed in China. And also resume the acquisition trips, which I was able to take from 1970s to 1990s.

I think I am probably over my seven minutes. I'm going to stop here and I have a written statement, and I am going to supply to the chairman some additional memos that I submitted to the Library of Congress.

CHAIRMAN D'AMATO: Thank you. We look forward to that.

DR. WANG: Which would tell you more the stories of the success and the decline of the contemporary China collection.

HEARING COCHAIR TEUFEL DREYER: Thank you very much.

DR. WANG: One moment. I'm retired. Now I'm free to say anything I want to.

CHAIRMAN D'AMATO: We noticed.

DR. WANG: And what I say is my best intentions. I wish the best for the Chinese collection in the Library of Congress. I'm not looking for a job in Library of Congress in the future. Everybody in the Library knows, the whole United States, people interested in China know, this is the most important center for doing research on China. I really think the Commission could help to reestablish a good outstanding Chinese section or Chinese Division back to 1928 in those glorious days. Thank you.

[The statement follows:]

Prepared Statement Of Dr. Chi Wang, Cochair, The U.S.-China Policy Foundation, Washington, D.C.

Chairman D'Amato, Commissioner Dreyer, Commissioner Wortzel:

I am honored to appear before the U.S.-China Economic and Security Review Commission this morning. I have been asked to give my thoughts and to answer questions for this public hearing titled, An Examination of the Library of Congress Chinese Holdings. In a few moments, I will present a statement that will address, as requested by the Commission, the changes in the Library of Congress Chinese language holdings within the last decade, my general assessment of the current Chinese language holdings, what government needs should be met by the Library of Congress China collection, are these needs being met and if not what I see as the major flaws in the collection, and my recommendations on how to better align the Library of Congress China collection with the needs of the government.

But first I would like to make some brief remarks about my career with the federal government, which I had served since 1956. From 1958 until 2004, I worked at the Library of Congress, beginning as a library technician, then as a reference librarian, and later as an Asian science specialist supervising the development of an Asian science collection, including Chinese, Japanese and Korean publications. In 1967, I was promoted to assistant head of the Chinese and Korean Section. In 1975, I was named head of the Chinese and Korean Section. Subsequently, I served in that capacity until my retirement in October 2004 when the Library of Congress abolished the Chinese Section. I have spent almost a half-century in my professional career developing the Chinese collection at the Library of Congress, and I consider myself fortunate to have been able to work in a field that was and is my passion.

When I first joined the Chinese Section, the Chinese collection comprised slightly more than 300,000 volumes. At my retirement in 2004, that number had reached close to 1 million. Meantime, I was able to complete my PhD at Georgetown University in 1969, and I served as an adjunct professor in the department of history and continue to do so today teaching classes on traditional and contemporary China. This teaching experience afforded me opportunities to keep abreast of the trends related to academic interest in China. Serving as head of the Chinese Section in conjunction with teaching at Georgetown allowed me to meet many outstanding China scholars in the United States; they helped give me insight as to what is most important to China scholars in this country. That said, I now will try to address the questions members of the Commission posed to me in a letter requesting my presence today.

The first question concerns what changes, if any, have there been in the Library of Congress Chinese language holdings within the last decade and my general assessment of the current Chinese language holdings. This question is both very broad and complicated in scope.

The most notable change was the abolition of the Chinese Section in 2004 without explanation after more than 75 productive years. Without a Chinese Section, the Library of Congress has no means to develop a strong China collection. The decision came as a surprise to all scholars in the East Asian library field.

The Chinese language holdings in the Library of Congress do, however, remain among the most thorough in the United States. Over the past decade, the Chinese Section has been trying to increase its collection of contemporary China materials, including the history of Chinese Communist Party, China's military development, China's economy, US-China relations, American studies in China, etc. The Chinese collection in the Library of Congress has the best materials on traditional China studies; no other library is comparable. As for the contemporary China collection, there is much room for improvement.

Since the Chinese Section was abolished in October 2004, two new sections have been created: the Collection Service Section and the Scholarly Service Section. There are no more sections devoted solely to individual countries. According to my analysis, this system greatly hinders the development of a superior Chinese collection.

As to the second question, what government needs, particularly national security needs, should be met by the Library of Congress China collection, are those needs being met and if not what major flaws exist, I believe the government should have more materials on China's political development, its foreign policy, especially toward the United States, China's military development, which would address the national security needs, China's economic development, and China's understanding of the United States. These materials are of paramount importance to the federal government. As far as I can tell, during the past 10 years, very little progress has been made collecting materials relating to these subject fields. With more than 175,000 titles published annually in mainland China during the past three to four years, there are many materials devoted to the previously mentioned subjects that the Library of Congress should be collecting. I do not believe, however, the Library of Congress has done so, and therefore it has not met the needs of the federal government on these subjects to the fullest extent. The major flaw remains a dearth of contemporary China materials. Members of this commission may wonder why as head of the Chinese Section I could not improve this situation. This a very legitimate question. Here is why I was unable to change the situation. Until the early 1990s, the Chinese Section has nine full-time staff members: a section head, two China area specialists, three reference librarians, one section secretary and bibliographic assistant and two technicians. Nine staff members were sufficient to carry out collection development duties, serve readers and maintain the 700,000 volume collection. But by 1992, the Chinese Section had only five full-time staff members because of retirement, resignations and reassignment. By the mid-1990s, there were only four full-time staff members: one section head, one area specialist, one reference librarian and one technician. With so few staff members, simply maintaining the day-to-day operations became a challenge. I repeatedly urged Library management to recruit additional staff members to the Chinese Section and submitted many memorandums to that effect, but to no avail. I couldn't help but wonder where my memorandums wound up within the Library of Congress's bureaucracy. The chief at that time was an expert on South Asia but never served as a curator at any Asian library. I believe she tried to help me but was unable to do so. She was appointed in 1994 and retired in 2001. Among the four full-time staff members, I was the only one with knowledge of contemporary China, so as you can see, our resources were strained.

During the past 10 years, the Librarian of Congress has asked the Asian Division chief to pay special attention to developing a stronger Chinese collection, including adding materials on contemporary China. The Librarian of Congress during a meeting in his office in early 1993 asked me how to strengthen the Chinese collection. I made some brief recommendations, and the Librarian of Congress started a review project titled Social Science in 20th Century China: A Case Study. From 1993 to 1995, a committee of five members met approximately once per week and also invited outside scholars and consultants to give their input on this topic. The result was a 120-page review that included some very sound recommendations. In 1999, the Librarian of Congress again invited an outside scholar who was an expert on contemporary China studies to spend several weeks examining the Chinese book stacks, to interview Chinese collection specialists throughout the Library and to submit an evaluation report to the Librarian of Congress. This was followed by inviting another American China scholar specializing in China's economy to carry out a review of the Chinese language collection as it pertained to China's economy, trade and finance.

The Librarian of Congress initiated all the reviews, but the recommendations suggested in the reports rarely were implemented over the past decade. The Librarian of Congress also requested a grant from the Luce Foundation to help the Library develop a stronger contemporary China collection. The Luce Foundation was very generous in its support, and for three years China area specialists were able to improve the China collection to a certain degree. But I must say, it was poorly coordinated, and the grants were not used effectively. It did, however, help to increase the number of books on contemporary China.

With regard to the third question, what would I recommend the federal government do to better align the Library of Congress China collection with the needs of the government, the first priority is for the Library of Congress to re-establish the Chinese Section as a independent division not affiliated with the Asian Division. The Chinese Section had been handicapped in its operations depending on who was serving as chief of the Asian Division. This would no longer be a problem if the Chinese Section were allowed to run its own operations without outside interference.

Secondly, there needs to be a section head with full authority to manage, develop and service the Chinese collection. The Chinese section also needs to hire additional China area specialists, reference librarians and experienced technicians to support the head and to help develop a better collection, with a special emphasis on contemporary China. In addition to the Chinese Section head, there should be an outside advisory committee comprising China scholars to review the progress of Chinese collection development and to meet with the section employees to discuss ways to improve the collection.

Next, I would like to recommend the China Commission start an inquiry focusing on the Asian Division's management approach. Three or four China scholars could investigate why the 2004 re-organization was adopted and why the individual country sections were abolished and downgraded to teams. There also is a need to establish a Chinese acquisition facility in Beijing. This facility should have a China area specialist from the Chinese Section, technical assistance personnel and two local employees in China to monitor important Chinese publications that ought to be recommended to the Library of Congress. The Library has six overseas bureaus in India, Pakistan, Indonesia, Nairobi, Cairo and Rio Di Janero. Why can't we have an acquisition center in China?

I also would like to recommend acquiring more electronic databases that contain contemporary China materials. For example, before I retired, I recommend a subscription to CNKI online database from Eastview Information Service in Minneapolis. CNKI (China National Knowledge Infrastructure) contains between 6,000-9,000 periodical titles online in social sciences, humanities and many other subjects. There are many digital resources from China the Library of Congress should acquire. Additionally, the Library of Congress should digitize its entire Chinese collection so scholars around the world can have electronic access to its materials.

I am certain most Americans realize China is a rising power and a possible challenger to the United States in leadership throughout the world. We must have a clearer understanding of events transpiring in China. The Chinese Section should send area specialist to visit China, purchase publications on the spot and ship them to the Library of Congress. As head of the Chinese Section, I took many acquisition trips and brought back many important books from China from the 1970s to 1992. After the former chief and assistant chief retired from the Library in 1992, the acquisitions trips ceased. I would recommend the resumption of these trips.

In 2002, the China Commission in its report made comments over several pages about the poor quality of the China collection at the Library of Congress and also made some constructive suggestions as to how to improve the situation. I read the report carefully and agreed with most of the comments and recommendations. I was encouraged that the Commission made so many constructive recommendations. If the Library of Congress implemented suggestions from all the reports mentioned since 1995, plus my personal recommendations as head of the Chinese Section to the chief, acting chiefs and to the director of area studies throughout the last 10 years, the China collection today would be in much better shape.

I make these remarks with the best intentions toward the Library of Congress and its China collection. After all, I spent close to 50 years devoted to developing and improving the China collection at the Library. I hope the Chinese Section can return to its glorious past of the 1930s, '40s, '50s, '60s, '70s and '80s. The 1 million volumes in the Chinese collection today were developed through the efforts of many dedicated professional staff members in the

Chinese Section since 1928, including four section chiefs. The first, the late Dr. Arthur W. Hummel Sr., an eminent sinologist in the world, served as Chinese Section chief from 1928 to 1954. The second was Dr. Edwin G. Beal Jr., another well known China scholar and librarian, who served from 1955 to 1966. He was followed by Dr. K.T. Wu, the first Chinese American librarian to serve as chief, from 1966 to 1975. Finally, I had the honor to serve in that capacity until 2004. I certainly did not anticipate I would be the last section chief.

As former head of the Chinese Section, I was proud to be of service to many members of Congress who were interested in China, including some of the most highly respected senators and congressmen. Many of them have passed away, but I still have vivid memories of going to their offices to translate and provide reference services to them or their staff. This is what the Chinese Section staff is supposed to do: serve congress.

The Chinese Section celebrated its 75th anniversary in October 2003. No one could have anticipated the following year that the Chinese Section would be abolished and disappear from the Library of Congress's organizational chart. Because the Chinese Section was a small unit among the Library's 4,000-plus employees, perhaps some of the senior managers made that decision thinking it would not have an impact on the federal government, the academic community and the general public, but without question it did. The Chinese Section has been important to almost every Chinese American in the United States. Whenever Chinese or Chinese Americans visit Washington, D.C., they make a special effort to come to the Library of Congress to see the China collection. Many Chinese Americans, including scholars, have contacted me to express their displeasure with the abolishment of the Chinese Section and wonder why it happened without explanation. Every academic library in the United States with a Chinese collection has either a curator or supervisor. But now the Library of Congress has done away with that practice.

I have a written proposal with additional recommendations on how to improve the collection development in the Chinese Section, so in closing, I want to express my gratitude to the China Commission for conducting this hearing today. This is an opportunity for several China scholars, including myself as a former head of the Chinese Section, to have an opportunity to make some constructive recommendations. Hopefully, these recommendations are helpful to the development of Chinese collections in the Library of Congress in the future. A better Chinese collection in the Library of Congress is vital for Congress, federal government agencies, American China scholars, many think tanks and members of the general public who are interested in China studies. I hope the Commission can find a way to strengthen the China collection at the Library of Congress, and I will do all I can to assist. Thank you for your time, and I will be glad to answer any questions from the Commission.

PANEL II: DISCUSSION, QUESTIONS AND ANSWERS

HEARING COCHAIR TEUFEL DREYER: Thank you very much, Dr. Wang. It is most generous of you to be giving these books to the GW collection. I knew that we had three bibliophiles as witnesses here, but I did not realize we also had a GW xitong organization.

I have three persons on my list for questions, four now. We will start with Commission Chair D'Amato.

CHAIRMAN D'AMATO: Thank you, Madam Chairman. I don't really have a question so much as a couple of comments. I want to thank you all for your testimony. It's very important to us. It's actionable. It's one of the issues that we took on in the early stages of this Commission, as Dr. Shambaugh knows, and by the way, we appreciate your coming back and giving us another shot.

I would say that if any of you could identify a house that was sunken in the New Orleans flood that we can say was the "Home of the American Chinese Book Translation Center," we'll be able to get that thing funded very, very quickly in the next couple of weeks.

Having watched the president last night, I think, if we can get on that train somehow. It's very clear that the level of attention and study that we're giving in this country today is inappropriate to the importance of China to our national security and growing more so by the year as the importance of China grows to the national security of this country.

Dr. Shambaugh, just one question on your collection. When you say Chinese military, foreign affairs and national security, when you collect on national security, do you include in national security American economic security? We're trying to develop a larger definition of national security that includes American economic health.

DR. SHAMBAUGH: Chairman, that's a very good question. We do include that. Our acquisitions of materials on Chinese economy, as I say, we have intentionally not systematically been collecting there, but we are now transitioning from, as I say, those first three areas to the next three--politics, economy and society--and we have this gift of 2,500 volumes that we're about to acquire, and we'll be paying greater attention to economic security and energy security.

CHAIRMAN D'AMATO: Yes.

DR. SHAMBAUGH: In our future acquisitions. I would just note, how did our China Documentation Center come to be? Where did these 4,000 volumes come from? The first answer is they came from donations by individuals in this country who had them in their personal collections, about six or seven individuals donated their personal collections to establish this China Documentation Center.

On top of that, we go to China regularly to collect further materials, and in Hong Kong and we are now, we've just hired, in fact, a China librarian, so we're establishing the kind of normal channels of acquisition on top of that. But there is so much good stuff in personal collections, personal libraries, that we felt that we could amalgamate that material, and that would establish the basis of this collection, which it has.

CHAIRMAN D'AMATO: Yes. I hope there would be some way where your efforts can be--I wouldn't say acquired by the Library of Congress, but can help to energize and move the Library of Congress activities and collection to the next level. I do think that they've made some improvements since we started this exercise, and we think there is more to come.

Thank you very much.

HEARING COCHAIR TEUFEL DREYER: Commissioner Wortzel.

HEARING COCHAIR WORTZEL: Dr. Shambaugh, you already answered part of my question where I wanted to ask you about establishment, but I'd like for you to explain how for the future you look at acquisition strategies. You were here, I think, for the Luce grant to the Library of Congress. Are you moving in that direction of really trying to expand what you're doing there?

Finally, do you have cooperative relationships with other libraries or institutions in China that would provide books to you?

DR. SHAMBAUGH: Good questions, Larry. We have a very modest acquisitions budget, about 15 to \$20,000 a year. When you look at the Library of Congress' acquisitions budget, it's dwarfed in comparison. But we target those monies very carefully and we go to China ourselves and acquire these materials directly from publishers, and we don't use agents, we don't use people in country to do the collecting. We do it ourselves and we go straight to the publishers, not bookstores. One must distinguish, as you know, between a bookstore and a publisher.

You go to the menshibu. So that's how we've acquired our materials and, hence, we don't pay the overheads that these book dealers in China will charge. One thing I discovered in my Library of Congress study was they basically converted renminbi prices to dollar prices--right. If the book cost 12 renminbi in China, they charge the Library of Congress US\$12.

HEARING COCHAIR TEUFEL DREYER: Oh, my heavens.

DR. SHAMBAUGH: It was a complete scam, and frankly the Library was being taken to the cleaners by their book dealers in China was my view, and it's in my report. We don't bother with book dealers. They are a waste of time and a big waste of money. So that's how we make a little bit of money go a long way.

In terms of trying to get extra grants from foundations, I must take issue with the earlier discussion this morning. I don't see foundations as being particularly interested in funding this kind of enterprise, either for the Library of Congress or for private sector universities.

The Luce grant was, I think, a one off exceptional thing. It had a lot to do with Terry Lautz, who is the vice president of Luce Foundation and his passion for this subject. The Smith Richardson Foundation is the only one I can think of that may possibly be interested in this, but then again it would be a one-off grant.

In other words, I don't think university libraries or the Library of Congress can look to private sector funds for this. This has to come from the government and particularly for the Library of Congress. But for us, we need to look perhaps to the government as well, and there are some synergies there that I would prefer not to go into in open session.

HEARING COCHAIR TEUFEL DREYER: Is it possible you might want to go into them some other time out of session?

DR. SHAMBAUGH: Yes.

HEARING COCHAIR TEUFEL DREYER: Thank you. Anyone else want to address that? Are you happy? Okay. Then, Commissioner Mulloy.

COMMISSIONER MULLOY: I want to thank all three of you for being here today and being so helpful. This is for Dr. Chi Wang. You indicated that you recommended that they do have an overseas acquisition branch for China. Did you make that recommendation prior? Did they establish any of these other centers after you made that recommendation?

In other words, were these already in existence when you made that recommendation or did you make that recommendation prior to them having at least some of these in existence?

DR. WANG: Let me answer your question this way. In 1975, before the Cairo office was established, I was asked to participate in overseas operations division meeting. All the field offices are under the management of the Library's Overseas Acquisitions Division. And each country can present their ideas and views why your country should have a center. So I represented the Chinese Section, I went to the

meeting with the senior managers including associate librarian and deputy librarian.

That was a very, very heated debate whether we should have a center in Cairo, we have a center in Hong Kong--in 1975 before the normalization of relations with PRC, we could only establish one in Hong Kong--and at the end, the China argument was defeated. So I tried to continue to push for a China center until before I retired not too long ago with the Chief of Asian Division.

The Chief Asian Division was pretty supportive to have the center, but it is the Library top management. I have no idea who was the one really decided that. Maybe the Commission can find out what is the decision mechanism in the Library to have a field office. I think this morning, Commissioner Mulloy suggested why couldn't the Library decide to eliminate one and replace it by the Chinese center. That may be another way to do it with the budget problem.

I think I did try recommending China center, acquisition center, after all the centers were established.

COMMISSIONER MULLOY: Okay. Dr. Shambaugh.

DR. SHAMBAUGH: I would just note on this note of an acquisition center in China, that too is one of the key recommendations I made in my report, one of the many that I think have--

COMMISSIONER MULLOY: In 1999?

DR. SHAMBAUGH: 1999, yes. Because, as I argued in the report, in-country acquisition is crucial and despite the Luce Foundation grant and the system that has been set up since which is now I guess coming to an end perhaps along with the grant -- that's not sufficient to my mind. You need an in country acquisitions facility.

As you suggested yourself this morning, Rio de Janeiro compared to China? Jakarta compared to China? Cairo, Nairobi compared to China? It makes no sense. I'd just close one or two, move the funds over to China if they can't find the new funds for China.

Secondly, the reason I raised my finger is if one were established in China, I think it's extremely important to keep it physically outside the U.S. Embassy compound, outside, for various reasons of access, the collection and the way the Chinese would view it.

COMMISSIONER MULLOY: Dr. Mulvenon, do you have anything you want to add or now Dr. Chi Wang, you had something else?

DR. WANG: May I? I have some comments about the China center. The first time a U.S. Ambassador to Pakistan, Ambassador Hummel when he was Ambassador in Pakistan, he came home on leave. He came to the Library of Congress. He used the Chinese collection at the Library of Congress from time to time. His father was the first Chief of the Chinese Section in 1928, and he has a strong interest about the Chinese collection, and he asked me why you have office in Pakistan but you don't have an office in China? I said that's a good thought. Let me find out what it is.

Later on, when he became the first U.S. Ambassador to China in 1981, I visited his office in Beijing. He said now I'm in Beijing, Wang Chi. This is your time to get your Chinese center here in Beijing. The embassy is going to support you. Nothing happened.

COMMISSIONER MULLOY: That's interesting. Thank you very much. Thank you, Madam Chairman.

HEARING COCHAIR TEUFEL DREYER: Commissioner Wessel.

COMMISSIONER WESSEL: Thank all of you for being here, some of you arriving or being here recently, some many years ago, and we hope you'll be a frequent guest.

Just a couple of questions if I could, and one also comment to our previous panel, who I see are here still in the room, that I hope they would provide some information regarding some of the information or questions raised by this panel so that we can fully understand the breadth of issues.

As I said earlier, I visited the division the other evening and was very impressed, but I can't read Chinese, so quite frankly I don't know what I saw. I saw dedicated individuals. I saw a breadth of collection and the description and discussion was broad and clearly there has been a lot of progress, but we all have a long way to go.

I hope that the issues that are being raised here will go all the way up to the most senior leadership at the Library. I do note that Dr. Billington, who has a robust interest in Russian affairs, has not leaned on anyone to have a division office in the former Soviet Union, so this is not an imbalance in terms of political direction, but clearly from

the Commission's point of view, having greater access to materials is important.

Dr. Shambaugh, I'd like to ask you a question somewhat off the mark, but connected, which is in light of your position at GW, as a former student there, are many students in the China program going into military, looking at military affairs and current events? Is it looking at-- and I apologize if I get this wrong--Tang poetry? Is it literature? What is the direction of the students these days? Do we also have a significant problem in having people who can actually utilize these materials?

Please.

DR. SHAMBAUGH: I can only speak about George Washington University, not others across the United States, but I think maybe some of what I'll say about my own university is magnified in others. Dr. Dreyer's experience in Miami may be relevant here. The first point is there is strong demand amongst our undergraduate and graduate students for contemporary China, very weak demand for Tang poetry, I must confess.

One has to distinguish, though. There are some universities in the United States, George Washington is one of them, that have professional schools of international affairs.

We have one. It's called the Elliott School of International Affairs. There are 12 of these institutions in the United States. And the students who come into those institutions, largely for master's degrees, although in our case, Georgetown and Fletcher, also for bachelor's degrees, are interested in contemporary China and they're looking for very relevant, job relevant knowledge about China, so that they can find employment thereafter.

I would make two quick observations. They come into the classroom at the master's level, now having spent several years in China themselves, most of them having various degrees of fluency in China.

I will give you an example. I taught a course in Chinese politics last September. I asked the 25 students in the first day how many of you have lived in China? All 25 hands went up.

How many of you have lived more than two years in China? About 21 hands went up. How many of you have studied more than three years of Chinese? 15 hands went up. How many of you have no problem

reading Chinese newspapers without a dictionary? About a dozen hands went up.

I think that is reflected across the country at major institutions. The student body today now has opportunities to study Chinese in high school, go to China for extensive exposure before graduate school, and after graduate school, and then they get jobs. And they get jobs where? Amongst other places the U.S. government and the U.S. intelligence community.

There is a much-improved Chinese language capacity amongst young analysts going into the intelligence community. I think James can speak to this too.

So this is all interconnected, but they have to, even if they go into, for the sake of argument, the CIA and are fluent in Chinese, they don't have the time to read all this open source material. That's where FBIS comes in, to produce, to translate this material and put it on their desks so they can more quickly access it.

But I think the news is good on the demand side and it's good on the supply side. Academic faculty positions on contemporary China are going up. I can tell you right now I've got some Ph.D. students on the market. They're seven, eight very good jobs available right now this year in political science, Chinese politics, international affairs, at major universities around the United States.

Every state university, many small liberal arts universities now have China, contemporary China programs. So I would say the academic community is doing extremely well. In fact, I read some of the testimony of the session you did on the internet and there was an exchange between Professor Baum and one of the commissioners about-- and the Commission was rather derisive, I think about the state of American academic research on China. That's yet another subject for another set of hearings, but my own short take is the American academic community is doing very well in its research of China.

COMMISSIONER WESSEL: Thank you.

COMMISSIONER MULLOY: Can I do just one related to that?

HEARING COCHAIR TEUFEL DREYER: Sure.

COMMISSIONER MULLOY: When I was in graduate school, the people who wanted to go write Ph.D.s, they wouldn't want to

take a topic that there wasn't material relevant to do a good paper. Otherwise, they'd take too long. So your point about the Library getting contemporary material on economics and politics and military is so important as a feeder to these youngsters who want to go in and do their academic Ph.D.s in these areas. So that's I think a very important point for the Library to be thinking through because that's where the market for these people is going to be.

HEARING COCHAIR TEUFEL DREYER: Any other questions?

DR. MULVENON: June, could I just embellish one point that David made?

HEARING COCHAIR TEUFEL DREYER: Sure.

DR. MULVENON: This is a taxpayer versus entrepreneur distinction again. I'm getting actually a lot of resumes these days from the post-9/11 generation of master's level people that went into the intelligence community with Chinese language skills who are exiting the intelligence community because they were told that they were going to be using their Chinese language because of the community's new commitment to doing deeper open source analysis, and in fact they spend their days polishing three bullet points to go into the book every night, and have not seen a Chinese character since they entered CIA or DIA except in the artwork that's on the walls in the office, and so I think there's a disconnect there now.

That once again emphasizes the importance of FBIS because it is as much a time management issue as anything else. We could get into the larger structural problems about the intelligence community in some other forum, but it is striking that there was a generation of people who worked at CIA who would come in and immediately write 70 or 80-page papers to get their sea legs as to how to do research. That era is over and the era is over where people are doing significant amounts of work, even minor amounts of work, in Chinese language. In fact, they're almost wholly dependent on the feeder they're getting from FBIS.

CHAIRMAN D'AMATO: Well, if that's true, we're going backwards.

HEARING COCHAIR TEUFEL DREYER: David.

DR. SHAMBAUGH: One footnote on FBIS. I don't want to leave the impression that the situation at FBIS is dire. It atrophied badly during the '90s, but since fiscal year 2003, the resources have increased, at least for China, but I think overall to FBIS, and the attention being

paid to open source translations has increased, and open source translations on China has increased.

If you go to the FBIS portal on the government available FBIS web site, you can see some of the progress that's been made. Again, this needs to be gone into in a different session, but the point I want to make is that the bottom of the trough may have been reached in 2002, and the rebound is occurring and there are some very dedicated people, new hirings, some management changes that have taken place, and a greater appreciation of open sources.

But they can't keep up with what's coming out unless they have (a) more resources, (b) more translators and (c) pay attention to books. I would really argue that JPRS, or some equivalent to JPRS, be brought back. That's what is really needed.

HEARING COCHAIR TEUFEL DREYER: Anything, any other comments? Jim?

DR. MULVENON: I would say that within the system, there are some attempts, as some of the commissioners undoubtedly know, at systematic fixes in the following senses. At one point during the bad days, three, maybe even four U.S. government agencies independently paid outside people to translate Unrestricted Warfare, without knowledge that the other agencies were also using U.S. taxpayer money to translate the same book.

That problem has been fixed. There is now a central clearinghouse whereby these kinds of things are deconflicted and publicly available. And there are limited efforts by some agencies to have outside people translate books.

The structural criticism I would make of the process, however, is that there is almost no attention paid to actually prioritizing what is going to be used for this finite amount of money for this other than the individual whims of people involved in the process. But more importantly, there is no common accepted lexicon. There is a Rosetta stone. There is a lexicon that was developed, but it's not being used.

In other words, you have U.S. government-sponsored translations where there is wide variation in the translation that's used across books. So they're not comparable to one another, so you can't do lateral horizontal studies of Chinese writings on campaign level doctrine, for instance, because the terminology doesn't match up, and in that respect even in English, they're really suboptimal in terms of the utility

to people who are trying to understand possibly different opinions across the system. In some cases the translations are horrible because unfortunately they're being done by well-meaning, fluent people who work in the translation business.

Unfortunately, their specialty is Tang poetry, not Howitzers and counter low observable radar. And so, you get that perspective, them sort of assessing out what they think the word means when, in fact, a specialist would know right off the bat.

HEARING COCHAIR TEUFEL DREYER: Thank you for suggesting that. It leads me to suggest that we pay some attention to the way contemporary Chinese is taught at American universities. The horrible example in my mind comes from my experience as an NDFL fellow at Harvard. I got to third year Chinese, which was taught by a gentleman whose specialty was "The Dream of the Red Chamber," and that is really all he wanted to talk about. Being confronted with the need to comprehend a contemporary Chinese newspaper, when you're trained to read "The Dream of the Red Chamber," is not a happy experience.

DR. MULVENON: June, I had a very similar experience, when I think highlights this for you. Three years of Chinese at Michigan, two years at Shanghai at Fudan studying Chinese, and I came back to grad school and decided I was just going to go ahead and take my proficiency exam and utterly failed it.

Now, of course, this may, in fact, be just because I have a horrible Chinese language capability, but I think it was more because the proficiency exam was pointed towards people who were doing classical literature.

HEARING COCHAIR TEUFEL DREYER: Exactly.

DR. MULVENON: I didn't know what the translation was for chrysanthemum. So the only way I got out of it was I asked the administrator of the exam to pull up one of his paper copies of People's Daily so that I could translate for him some of the articles on the front, which I did quite easily. He gave me a pass on the proficiency exam, but the way the system was structured--

HEARING COCHAIR TEUFEL DREYER: Exactly.

DR. MULVENON: --was designed to reward people who had very obscurantist lit crit understanding of Chinese, not people who are interested in the latest Party Congress.

HEARING COCHAIR TEUFEL DREYER: Precisely. This has been really excellent. I so much appreciate your suggestions. We're very much helped in our work by this, and I want to thank you, all three of you, not only for appearing but for your prior services in training the next generation of scholars. This may be the only hearing we've ever had to end a few minutes early.

CHAIRMAN D'AMATO: Thank you very much. Thank you.

[Whereupon, at 11:40 a.m., the hearing was adjourned.]

[Additional Material](#)