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IN MEMORIAM:

General Alexander M. Haig Jr.
December 2, 1924 – February 20, 2010

“A durable, long-term U.S.-China strategic relationship is even more important now than in previous decades. The relationship will continue to grow and prosper to the mutual benefit of all peoples.” —February 2002

The U.S.-China Policy Foundation (USCPF) was deeply saddened by the recent passing of General Alexander M. Haig Jr., an Honorary Advisor to the Foundation for over 15 years.

A great American soldier-statesman, General Haig dedicated his life to improving U.S. relations abroad. In addition to his outstanding military accomplishments, the retired Army four-star general served in a number of capacities during his distinguished career, including Secretary of State under President Reagan and White House Chief of Staff under Presidents Richard Nixon and Gerald Ford. General Haig also served as Vice Chief of Staff of the Army and as NATO Supreme Allied Commander Europe during the Ford administration.

General Haig's first experience with China came during his tenure as deputy national security advisor to President Nixon. General Haig was head of an advance group tasked with coordinating preparations for Nixon's historic visit to China in 1972. He helped lay the groundwork for the historic Shanghai Communiqué that Nixon and Mao signed later that year, paving the way for the normalization of diplomatic relations between the United States and the People's Republic of China.

Years later, when the expanding bilateral relationship was threatened by Chinese objections to the level of U.S. arms sales to Taiwan, then-Secretary of State Haig visited China in June 1981 in an effort to resolve Chinese questions about America's unofficial relations with Taiwan. Eight months of negotiations produced the U.S.-China joint communiqué of August 17, 1982. In this third communiqué, the U.S. stated its intention to reduce gradually the level of arms sales to Taiwan; the Chinese described it as a fundamental policy in their effort to strive for a peaceful resolution to the Taiwan question. In October 1989, General Haig was also
the first former U.S. official to venture publically to Beijing, four months after the infamous Tiananmen Square incident.

Even after his retirement from public service, General Haig continued to be active in promoting cooperation between the U.S. and China. His subsequent activities related to China included serving as editorial advisor to the U.S. publishers of The People’s Republic of China’s Official Guide: America Business & Industry, and Honorary Senior Advisor to the China Ocean Shipping Group. Additionally, General Haig was chairman of his Washington, DC-based firm, World-Wide Associates, Inc., and was an active member on the boards of numerous businesses, educational, and cultural associations.

General Haig passed away just one day before the 38th anniversary of Nixon’s historic trip to China. However, even after four decades, General Haig continued to advocate the importance of U.S.-China relations. Eulogizing his friend and associate of more than 40 years, Woody Goldberg remembers that even in his final illness, our nation’s relationship with China was paramount to General Haig:

His principled counsel was our word is our bond. Therefore, our relationship with China is founded on the three joint communiqués, as affirmed by subsequent presidents. He would point out that other obligations do not trump the foundation set in the three communiqués and should not undermine the bilateral strategic relationship he and others fostered with China. Our nation’s word is our bond. As he said, “If you lose your credibility as a nation or as a person, what do you have in the next go-around?”

Leaders around the world marked General Haig’s passing. President Obama said he “Exemplified our finest warrior-diplomat tradition of those who dedicate their lives to public service”; Secretary Clinton noted he “earned honors on the battlefield and the confidence of presidents and prime ministers; Secretary Shultz said General Haig was a “patriot’s patriot.”

The USCPF is grateful for General Haig’s many years of dedicated service to promoting mutual cooperation between the U.S. and China. Our thoughts and prayers are with his family.

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1 Eulogy for Alexander M. Haig, Jr., as delivered by Sherwood (Woody) Goldberg on March 2, 2010, in the Basilica of the National Shrine of the Immaculate Conception, Washington, DC.
Engaging China: Obama’s Struggle to Define a New Framework for Sino-American Relations

Meghan A. Crossin

Introduction

Every U.S. president since Nixon has struggled to define his administration’s relationship with China. However, these former leaders have been able to construct their policies within an established international framework based on America’s unchallenged economic and political dominance. Unfortunately for President Obama, this framework is no longer valid.

China’s rise is now a geopolitical fact. The global economic crisis has fast-forwarded history, serving as a catalyst for an already rapidly developing China to expand its financial influence, harden its economic achievements into political interests, and ultimately achieve a paradigm shift in the global power structure. Stabilizing the global financial system, addressing climate change, and combating nuclear proliferation are just a few of the world’s major challenges that cannot be addressed without China’s participation.

China’s emergence has presented the Obama administration with the daunting task of re-defining policies to correspond with China’s new role. The following paragraphs provide a condensed summary and analysis of some of the most significant events that have affected U.S.-China relations in the Obama administration thus far, and possible implications for future Sino-American collaboration.

In Pursuit of Cooperation

Since the U.S.-China relationship was not among the issues dominating discussion on the 2008 campaign trail, the world welcomed the Obama administration to the White House in January 2009 without much understanding of his vision for the next chapter in U.S.-China relations. Many American presidents have started their terms of office promising to "get tough" with China over issues from human rights to trade; several of Obama’s statements during his campaign suggested Obama planned to take a hard line with the Chinese on these challenges and a number of other important
issues. Despite these early predictions, however, the overarching tone of Obama's China policy largely has been consistent with the “responsible stakeholder” approach to engagement taken by the second Bush administration, often taking on a conciliatory tone for the sake of Sino-American cooperation.

Secretary of State Hillary Clinton’s choice to break with tradition and visit Asia, not Europe, for her first trip abroad was a very clear attempt to demonstrate the importance of the Sino-American relationship to the new administration. Secretary Clinton arrived in China on February 20, 2009, after stops in Japan, Indonesia and South Korea for several days of high-level meetings with Chinese officials, including President Hu Jintao. These exchanges covered the expected broad range of economic, security and environmental issues, including Beijing's response to the global financial crisis, its role in curbing North Korea's nuclear program, as well as a joint strategy to address global warming and other environmental issues. As China had recently surpassed the United States as the world's leading emitter of greenhouse gases,\(^1\) Clinton drew particular attention to the need for cooperating on this issue, touring a thermal power plant that produces about half the emissions of a typical coal plant.

Notably, Secretary Clinton only briefly addressed China's checkered record on human rights during her trip. Speaking in Beijing, she explained the importance of promoting human rights and religious freedom, but added, “Our pressing on those issues can’t interfere on the global economic crisis, the global climate change crisis and the security crisis.”\(^2\) Considering human rights in China has long been an issue of great concern for U.S. policymakers—especially for Democrats—the administration’s prioritization of economic wellbeing at the expense of human rights illustrated the unprecedented importance of ensuring Chinese cooperation in the wake of the financial crisis.

Indeed, Clinton made repeated efforts to reassure her hosts that China's investment in U.S. government debt remains sound,


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saying she greatly appreciated “the Chinese government’s continuing confidence in United States Treasuries. I think [China’s confidence] is a well-grounded confidence.”

Chinese Confidence and U.S. Economic Recovery

The global financial crisis has illustrated the extent to which the United States has become dependent on China and its continued confidence in the U.S. economy in order to maintain global financial hegemony. China consolidated its position as the top creditor to the United States only days after Obama’s inauguration, with $739.6 billion dollars in U.S. Treasury bond holdings as of late January 2009. Analysts estimate China keeps nearly half of its $2 trillion in foreign currency reserves in U.S. Treasuries and notes issued by other government-affiliated agencies. As the U.S. economic forecasts remained weak in the first weeks of 2009, China became increasingly concerned the U.S. might run up so much debt—the Congressional Budget Office projected a 2009 deficit of $1.85 trillion—that the U.S. may not be able or willing to pay it back without devaluing the currency.

Shortly before the April 2009 meeting of the Group of 20 (G-20) in London, China became the latest addition to a growing list of nations concerned by the dominance of the dollar in international currency reserves. In a mildly worded statement, the leaders of China’s central bank said that the global economic crisis has revealed the “inherent vulnerabilities and systemic risks in the existing international monetary system” and that a new international currency system controlled by the IMF would be more stable and economically viable in the long run. The Chinese specifically promoted the adoption of Special Drawing Rights, which are based

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7 “China Urges New Money to Replace Dollar” The New York Times, March 24, 2009

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on the value of the dollar, euro, pound and yen, but have been little used except as an accounting entry by international organizations. Despite its mild phrasing, the report and its international reception carried deep implications about the perceived future of America’s position in the global economy.

If the Obama administration did not immediately comprehend the significance of such a proposal, remarks by Treasury Secretary Timothy Geithner quickly demonstrated the stakes. Geithner provoked market chaos on Wall Street by publicly saying the Chinese suggestion merited consideration, and the U.S. would be “very open” to proposals of this nature. Predictably, the dollar plummeted after his statement, falling more than 1 percent against the euro within minutes of his remarks. Realizing the implications of his statement after the fact, Geithner quickly reassured investors “The dollar remains the world's dominant reserve currency…I think that's likely to continue for a long period of time.”

Despite his assurances, however, the long-term role of the dollar in global currency markets remains uncertain.

Inaugural U.S.-China Strategic & Economic Dialogue

President Obama and President Hu Jintao met face-to-face for the first time in London, ahead of the April G-20 economic summit. Three important outcomes emerged as a result of this encounter: Obama accepted Hu’s invitation to visit China later in 2009; the leaders agreed to work together to build a positive, cooperative, and comprehensive U.S.-China relationship; and the announcement of the establishment of the high-level U.S.-China Strategic and Economic Dialogue (S&ED).

The S&ED is a broader version of the more economic-oriented dialogue established in 2005 by former Treasury Secretary Henry Paulson under the George W. Bush administration. The Obama administration’s slightly modified version seeks to further cooperation not only on bilateral economic issues such as the dollar-RMB exchange rate, but also on key issues such as climate change, nuclear proliferation and transnational threats.

The inaugural meeting of the S&ED, held in Washington, DC from July 27-28, was co-chaired by Secretary of State Hillary

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Clinton and Secretary of the Treasury Timothy Geithner on the American side, and State Councilor Dai Bingguo and Vice Premier Wang Qishan on the Chinese side.

Emphasizing the need for mutual cooperation on global issues, the Obama administration used the S&ED as an opportunity to petition Beijing to put pressure on an increasingly antagonistic North Korean regime and to convince China to agree to curb its emissions of carbon dioxide ahead of the key climate-change conference in Copenhagen in December. In his remarks at the first meeting, Obama described the relationship between the United States and China as one that “will shape the 21st century, which makes it as important as any bilateral relationship in the world. That really must underpin our partnership. That is the responsibility that together we bear.”

Chief among the Chinese concerns at the S&ED was the issue of trade protectionism, which has been an increasing problem since late 2008 and has severely impaired Chinese exports. The Chinese delegation reminded the U.S. of the rise in protectionism and urged the U.S. to end the practice in the interests of accelerating the global economic recovery. Despite a November 2008 pledge by G-20 countries to avoid protectionist measures, the Centre for Economic Policy Research recently found G-20 nations passed approximately 184 discriminatory measures since November 2008, with the United States and China among the top offenders. A series of U.S. protectionist measures, including imposing special tariffs on Chinese tire imports and coated paper products, and preliminary duties on some steel products, has resulted in a sharp escalation of tensions between the U.S. and China.

China condemned the American measures, but continued to defend its own restrictive policies and refusal to let the yuan appreciate, which U.S. officials claim gives China an unfair trade advantage. American officials repeatedly have warned China against a continued reliance on exports to the U.S. to drive its continued economic growth, but Chinese commerce ministry spokesman Yao Jian maintained the current policy “is necessary to

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9 Remarks by Barack Obama at the U.S.-China Strategic and Economic Dialogue, the Ronald Reagan Building and International Trade Center, Washington, DC

create for enterprises a stable and predictable environment, including stable economic and foreign exchange policies, to help the global economy grow steadily and China's exports recover.\(^{11}\) However, at a time when many of the world’s major economies are struggling against liquidity traps—depressed economies that are unable to engender recovery by cutting interest rates because the rates are already near zero—China’s increasing and likely unwarranted trade surplus creates an additional burden.

Twice a year, by law, the U.S. Treasury must issue a congressionally required report identifying countries that “manipulate the rate of exchange between their currency and the United States dollar for purposes of preventing effective balance of payments adjustments or gaining unfair competitive advantage in international trade.”\(^{12}\) In its October 2009 report, the Obama administration declared China innocent for the second time of manipulating its currency for trade advantages, despite continuing to urge China to “correct” its currency policy in order to help reduce still-dangerous global imbalances. The day after the U.S. report was released, Beijing announced its currency policies would remain unchanged.

While there is a wealth of evidence to justify labeling China, the disincentives are equally powerful. Even without allowing its currency to appreciate, China is the third largest export market for the United States and boasts one of the fastest growing markets in the world; while China remains much poorer than Western industrialized countries on a per-capita basis, its rapid growth should enable it to surpass Japan this year, becoming the world’s second-largest economy. A trade war with China is especially to be avoided if the U.S. is to succeed in doubling American exports within five years, as Obama pledged during his State of the Union address.\(^{13}\) Congress and the Obama administration will have to weigh the merits of labeling China a currency manipulator by April 15, 2010, when the next report is due.

**Shifts in Bilateral Balance of Power—Mollifying China**

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\(^{12}\) Omnibus Trade and Competitiveness Act of 1988

Engaging China

China’s refusal to negotiate its currency policy is only one indication of a country bursting with newfound confidence. With impressive 8.9 percent economic growth in the third quarter of 2009, China sees itself as triumphing over the financial crisis. Furthermore, while the U.S. struggles with massive unemployment and domestic political infighting, China has continued to expand its political influence in Asia, Africa, and Latin America. Obama has fed into the idea of a U.S.-China role-reversal by his unprecedented deference to Chinese leadership.

Introducing himself as America's "first Pacific president" during his four-nation Asia trip in November, Obama spent two days in Japan and attended the Asia-Pacific Economic Cooperation (APEC) summit in Singapore before traveling to China and South Korea. While Obama vowed to deepen ties with Asia and argued that China’s rise should be welcomed rather than feared, the trip did more to showcase China’s ability to push back against outside pressure than it did to advance any of the main issues on Obama’s agenda. The three-day visit resulted in no new agreements on specific matters, but rather with a wide-ranging “joint statement,” which specified many areas, including outer space, where future bilateral cooperation should be pursued.

Obama’s mollifying actions during his visit were consistent with Secretary Clinton’s February vow not to let human rights concerns impede the progress of economic recovery efforts. Whether by White House design or Chinese insistence, Obama steered clear of public meetings with Chinese liberals, free press advocates and even ordinary Chinese, showing unusual deference to the Chinese leadership’s aversions to such interactions. Moreover, only weeks before his Asia trip, Obama refused to meet the Dalai Lama when the Tibetan spiritual leader was visiting Washington—a move calculated to curry favor with the Chinese.

America’s muted response to the July ethnic riots that left at scores dead in China’s Xinjiang province was another indication of Obama’s unwillingness to anger Beijing. The trigger for the riots that erupted on July 5 between the region’s Muslim Uighur minority and the dominant Han Chinese was an event that occurred the preceding week in the southeastern Chinese coastal province of Guangdong. In late June, Uighur migrant workers living in a

dormitory at a toy factory owned by Hong Kong capitalists allegedly were falsely accused of rape and killed by an angry mob. The conflict in Xinjiang erupted after what started as a peaceful demonstration by outraged Uighurs escalated into violent clashes. Protests spread from the regional capital of Urumqi to Kashgar, Yili, Aksu and other major cities in the province.

The Chinese government reportedly deployed police and paramilitary troops, closed mosques, instituted a curfew, and rounded up 1,434 people. The official death toll released by the Chinese government states 197 people died during the riots, including 12 killed by the government security forces, with at least 1,721 injured. Chinese media covered the riots extensively, in contrast to the restrictive coverage of the unrest in Tibet in 2008. Over 200 individuals—both Uyghur and Han—have since faced criminal charges for their actions during the riots, and seventeen have received death sentences as of November 2009.

American response to the riots was minimal. White House spokesman Robert Gibbs responded to reports of violence, saying the United States regretted the loss of life in Xinjiang and called “on all in Xinjiang to exercise restraint.” U.S. State Department spokesman Ian Kelly reiterated the White House position, adding that it is “important that the Chinese authorities act to restore order and prevent further violence.” The conservative statement reflected the administration’s awareness of the Chinese government’s extreme sensitivity to external probes into its handling of separatist threats in regions like Xinjiang, Taiwan and Tibet. Furthermore, relations between the American government and Beijing are strained due to the detentions of 17 Uighurs at Guantanamo Bay, several of whom are still imprisoned there despite court rulings declaring them not to be enemy combatants.

Vice Foreign Minister He Yafei responded favorably to the American statement, saying the Chinese “noticed that the U.S. government's statements were cautious in general and if this issue

is touched upon during the [upcoming S&ED], I think both sides could discuss in a peaceful manner." However, he reiterated that the issue, as well as the Chinese government's measures to protect the life and property, was China's internal affair.

**Copenhagen Climate Impasse**

While American policymakers may have temporarily pushed human rights issues to the back burner, climate change remained a very hot political button. The U.S. and China together produce 40 percent of global greenhouse gas emissions, with China surpassing the United States in 2006 to become the world’s largest producer of greenhouse gases. While even the most optimistic forecasts agree both nations will remain voracious consumers of energy for the near future, their joint participation is essential to achieving any meaningful solution to mitigate or reverse the effects of climate change.

The highly anticipated 2009 United Nations Climate Change Conference took place in Copenhagen, Denmark, from December 7 to December 18. The conference gathered leaders from 192 countries with the goal of establishing a global climate agreement for after first commitment period under the Kyoto Protocol expires in 2012. President Obama traveled to Copenhagen with a provisional pledge to reduce American emissions by 17 percent below 2005 levels by 2020, and 83 percent by 2050. Prime Minister Wen Jiabao represented China at the conference, following an announcement that China will reduce emissions relative to the size of its economy by 40 to 45 percent by 2020. Both promises were considered far from bold. The cuts pledged by the United States were well shy of the commitment scientists say is required to avert the worst effects of warming. China’s commitment still allowed for the continued increase of overall energy consumption since its pledge was based on a per capita measure, rather than the level of total emissions. Furthermore, Chinese objections to an international

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monitoring system for CO2 emissions—a transparency provision the U.S. was adamant be included—proved to be a key obstacle at the conference. Tensions rose even higher on the last scheduled day of the conference when Obama was forced to conduct negotiations with comparatively junior Chinese officials—a clear snub.

While no binding agreement was signed, a smaller group of participating counties, including the United States and China, negotiated a brief political accord, which allows for an international role in monitoring emission reduction commitments and an initial promise of $10 billion a year, for three years, from developed countries to help poorer states mitigate climate change. However, the document is not legally binding and did not stipulate a firm target for limiting the global temperature rise; there was also no commitment to a legal treaty and no target year for peaking emissions.

Engagement: Tactic or Goal?

Obama’s largely conciliatory actions towards China during his first year in office suggested recognition of the limitations of American power; his administration turned a blind eye to politically explosive human rights concerns, avoided taking any concrete action on China’s currency manipulation, and almost completely avoided pressuring the Chinese to take an active role in rebuking Iran or North Korea for their nuclear ambitions. Recently, however, Obama’s attitude toward the China has taken an about-face into a harsher, uncompromising stance.

Since the end of 2009, tension between the United States and China has mounted due to a number of aggressive or inflammatory actions undertaken by the Obama administration. The first of these occurred in mid-January 2010, when the U.S. government officially supported Google’s decision to challenge China’s internet content censorship guidelines. Shortly thereafter, Obama’s February 18 meeting with the Dalai Lama predictably generated a spate of objections from an already irritated Beijing. The administration’s most inflammatory act, however, was announcing the sale of $6.4 billion in arms to Taiwan, a move that was certain to infuriate Chinese government officials hypersensitive to what they view to be Western governments are infringing on Chinese domestic territorial disputes. While not providing Taiwan with the F-16 fighter jets it has long coveted, the sale includes 60
Engaging China

Black Hawk helicopters (totaling $3.1 billion), 114 advanced Patriot air defense missiles; a pair of Osprey mine-hunting ships; and dozens of advanced communications systems.\(^22\)

Trade relations have also continued to deteriorate, as the United States has continued to pressure China to allow the yuan to appreciate while imposing preliminary duties ranging from 11 to 13 percent on steel pipe from China to offset government subsidies.\(^23\) The United States has also increasingly targeted Chinese exports of wire decking products, electric blankets and drill pipe used for oil wells, imposing anti-dumping duties or demanding anti-subsidy investigations.

Looking at each of these sources of friction at face value, none of these policies or responses is something that has not already been confronted during the thirty-plus years of normalized diplomatic relations. However, the timing of these decisions—one swipe quickly followed by another—has infuriated China's leaders. In a culture where the importance of saving face is paramount, Chinese leaders are compelled to respond with actions of equal or greater severity. The deeply interdependent relationship between the U.S. and China makes this kind of exchange of fire counterproductive and dangerous.

Obama’s switch from using engagement as a tactic, rather than a goal, likely was motivated by two factors that combined to play a direct and almost immediate role in the deterioration of Sino-American relations. The first is American domestic politics—Obama is using a tougher policy toward China to fend off attacks criticizing his failures to reduce unemployment and pull the U.S. economy out of the red. The second reason concerns China’s very noticeable reduction in cooperation with the U.S. on foreign affairs over the past year, a frustration compounded by Obama’s exasperation over his personal efforts to deal with Chinese officials at the Copenhagen climate change conference. Especially considering the lengths to which the administration has gone to appease the Chinese, China’s refusal to make any concessions on a range of concerns has compelled Obama to a face-saving American response.

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Conclusion

The most significant issue in 21st century global politics will be determining the framework for future Sino-American relations. The foundation has been laid for strengthened bilateral cooperation, but the issues are complex and the challenges are significant. The desire for continued economic growth—the fundamental goal of both nations that underlies the majority of other international issues—is one that will not always be addressed to the complete satisfaction of either nation. However, the important point to remember is the Sino-American relationship is not a zero-sum game.

To this point, U.S. backlash against China has been largely rhetorical. Obama recognizes the rise of China's counter-balancing power is inevitable, and will not take actions that will jeopardize the ability of the U.S. and China for long-term cooperation. However, alienating the U.S. also is not in China's national self-interest. In reality, China and America need one another in the debt market, whether mainland economic policymakers like it or not. Chinese growth and national stability depends on the U.S.—the biggest consumer market in the world—to continue its export-driven growth. Despite owning billions of dollars of U.S. debt, China has no ready way to retaliate against the U.S. without damaging itself. Deciding to stop buying U.S. Treasuries at auction would drive up the value of the yuan, which is exactly what Chinese officials are trying to avoid. Applying tariffs to U.S. goods would hurt specific U.S. exporters, but given China's massive trade surplus with the U.S., we come out net ahead on any trade war. Therefore, while the Chinese will complain about America's arms sale to Taiwan or Google's indictment of China's internet restrictions, neither side will allow these disputes to derail this vital relationship.

Ties between the U.S. and China will continue to be tested and it remains to be seen whether cooperation will yield concrete results. Ensuring continued communication at the bilateral level and at international summits will be the most important factor to allowing leaders in the U.S. and China to handle issues of common concern as responsible global stakeholders.
Taiwan’s Political Status: Historical Background and Its Implications for U.S.

Kerry Dumbaugh

From the Mainland to Taiwan

With the victory of Mao Zedong and his Communist Party military forces on mainland China in 1949, the remnants of the government of America’s former World War II ally, the Republic of China (ROC) led by Generalissimo Chiang Kai-shek, fled to the island of Taiwan off the south China coast. For the next thirty years, both regimes claimed legitimacy as the sole legal government of the Chinese people. In Beijing on October 1, 1949, a victorious Mao proclaimed the creation of the People’s Republic of China (PRC). Meanwhile, Chiang Kai-shek established a temporary capital for his government in Taipei, Taiwan, declaring the ROC still to be the legitimate Chinese government-in-exile and vowing that one day he would “retake the mainland” and drive out communist forces.¹

The United States initially appeared reluctant to support the ROC’s claim of legitimacy, and there is evidence that President Harry Truman was prepared to abandon Chiang’s government on Taiwan and deal with Mao’s PRC regime.² However, that U.S. position quickly evaporated with North Korea’s surprise invasion of South Korea on June 25, 1950. Within a week, President Truman ordered U.S. air, naval, and ground forces to go to South Korea’s aid and ordered the U.S. 7th fleet to prevent any attack on Taiwan, saying that “determination of the future status of Formosa [the island’s designation as a Japanese colony] must await the restoration of security in the Pacific …”³ U.S. support for the ROC was solidified when Chinese Communist forces entered the Korean

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¹ At this time and for most of the next 53 years, both the PRC and the ROC claimed Taiwan as a province of China. Taiwan’s provincial capital remained at Taichung.

² On January 5, 1950, for example, President Truman announced the United States “would not provide military aid or advice to [Chiang’s] Chinese forces” on Taiwan. On June 7, 1950, Secretary of State Dean Acheson said in a news conference that while the United States did not support transferring Chinese representation in the United Nations to the PRC, it would not use its U.N. Security Council veto to block a move to do so.

³ “Statement by the President on the Situation in Korea,” June 27, 1950.
http://www.trumanlibrary.org/publicpapers/viewpapers.php?pid=800 President Truman’s reference to “Formosa” uses the name by which Taiwan was known under Japanese sovereignty (China ceded Taiwan’s sovereignty to Japan under the 1895 Treaty of Shimonoseki).
War in support of North Korea in October-November 1950. As a result, in April 1951, the United States resumed direct military assistance to the ROC government on Taiwan, and in 1954 the United States and Chiang's government signed the U.S.-ROC Mutual Defense Treaty, making the two governments allies once again. This remained the situation for three decades: Taiwan and China remained officially at war; the United States continued to support the ROC claim as the legitimate government of all China, refused to recognize the legitimacy of the PRC, and maintained a defense alliance with the ROC government on Taiwan. For much of this time, the ROC government continued to represent China in the United Nations and other international organizations.4

Official U.S. Recognition of PRC in 1979

In the 1950s and 1960s, the U.S.-ROC Mutual Defense Treaty allowed U.S. forces to use Taiwan as a forward base against Sino-Soviet communism in Asia. But after President Nixon's diplomatic opening to Beijing in 1971-72 and the major pullback of U.S. forces in Asia under the guidelines of the “Nixon doctrine,” U.S. officials began to view Beijing more as a strategic asset against the Soviet Union than as an adversary to be confronted in the Taiwan Strait.5 The Nixon overtures resulted in the so-called “Shanghai Communiqué” of 1972 (the first of three U.S.-China communiqués) which set the stage for the reversal of U.S. post-WWII China policy.

Official U.S. recognition of PRC legitimacy did not come until 1979, after the Carter administration made a surprise announcement on December 15, 1978, that the United States would sever official relations with the ROC government on Taiwan 4

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4 The ROC was a founding member of the U.N. in 1945 as well as a permanent member of the U.N. Security Council. In the 1960s, countries sympathetic to the PRC began introducing regular resolutions in the General Assembly to remove Taiwan from that body and seat the PRC as the representative of China. U.S.-led actions successfully blocked these resolutions until October 25, 1971, when two-thirds of the members of the General Assembly passed Resolution 2758, withdrawing recognition from the ROC and recognizing the PRC as the sole legitimate government of China. Taiwan's government has reapplied for U.N. membership and/or observer status since 1991—unsuccessfully until April 29, 2009, when the WHO invited Taiwan to attend its May 18-27, 2009 meeting as an observer.

and recognize the PRC government in Beijing on January 1 of the new year.\(^6\) In the Joint Communiqué on Establishing Diplomatic Relations that announced the change, the United States acknowledged (an important distinction in future debate on the U.S. “one-China” policy) that both the PRC and ROC governments claimed there was only one China and that Taiwan was a province of it.\(^7\) As part of the process of recognizing the PRC government, U.S. officials also notified the ROC government (Taiwan) that the United States intended to terminate, effective January 1, 1980, its military obligations toward Taiwan under the 1954 U.S.-ROC Mutual Defense Treaty. In a unilateral statement released on December 16, 1978, the United States declared that it “continues to have an interest in the peaceful resolution of the Taiwan issue and expects that the Taiwan issue will be settled peacefully by the Chinese themselves.”\(^8\)

In an important historical side-note, President Carter’s unilateral decision to terminate the U.S.-ROC Mutual Defense Treaty in accordance with the treaty’s terms (which permitted either party to terminate it with one year’s notice) resulted in a landmark lawsuit over congressional constitutional prerogatives that went all the way to the Supreme Court. The suit, brought by Senator Barry Goldwater, alleged that the Senate’s constitutional role in approving treaties required President Carter to consult the Senate before ending a treaty. (The constitution is silent on how U.S. treaties can be terminated.) After decisions and reversals in Federal District Court, the District of Columbia Court of Appeals in 1979 issued a ruling that among other things stated that the President did not have to seek congressional approval before ending the U.S.-ROC Mutual Defense Treaty. Senator Goldwater appealed to the U.S. Supreme Court, which on December 13, 1979, denied his appeal, leaving the appellate court’s ruling standing.

**The Taiwan Relations Act (P.L. 96-8)**

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\(^6\) In recognizing the legitimacy of the PRC government, the United States fulfilled 3 conditions that Beijing had consistently placed on normalization of relations: withdrawal of all U.S. military forces from Taiwan; severing of diplomatic relations with Taiwan; and termination of the U.S.-Taiwan defense treaty.

\(^7\) Widely and over-simply referred to as the “one China policy,” this and other “one-China”-like statements for decades have been parsed and dissected by each involved government for every conceivable nuance. The various iterations of “one-China” policy formulations can be found in CRS Report RL30341, *China/Taiwan: Evolution of the “One China” Policy—Key Statements from Washington, Beijing, and Taipei*, by Shirley A. Kan.

\(^8\) Jones, DuPre, ed., p. 342.
While the record shows that the 96th Congress in 1979 clearly concurred with the strategic imperative of normalizing relations with the PRC, many members were unhappy with what they saw as the Carter administration’s minimal proposals for continued dealings with the ROC government on Taiwan. In particular, some were concerned that the package of legislation the White House submitted to Congress to govern future unofficial relations with Taiwan—the “Taiwan Enabling Act”—did not go far enough in protecting either Taiwan’s or U.S. interests. Congressional debate on the legislation in 1979 was extensive and complicated. The end result was passage of a much amended version of the administration’s proposal—the Taiwan Relations Act (TRA—P.L. 96-8)—which remains the domestic legal authority for conducting unofficial U.S. relations with Taiwan today. Much of the TRA deals with the logistics of U.S.-Taiwan relations: the establishment of the American Institute in Taiwan (AIT) as the unofficial U.S. representative for diplomatic interactions with Taiwan, including details about its staffing, functions, and funding. Of particular relevance for long-term U.S. policy are Section 2 (b) and Section 3 of the TRA, dealing with U.S. strategic interests in and arms sales commitments to Taiwan; and Section 4, allowing for the continued application of existing U.S. laws and treaties with Taiwan in the absence of official diplomatic ties.

Infrastructure of U.S.-Taiwan Relations Under the TRA

The dissolution of U.S. diplomatic relations with Taiwan placed Taiwan into a unique legal no-man’s land that the TRA was designed to redress. One set of considerations involved how Taiwan—essentially rendered a legal “non-state” by the severing of relations—was to be treated under U.S. law after 1978. Many of these issues are addressed in Section 4 of the TRA, which specifies that in matters of U.S. law, Taiwan is to be treated in a manner consistent with the way that “foreign countries, nations, states, governments, or similar entities” are treated, irrespective of other provisions in U.S. law concerning the requirements of maintaining diplomatic relations. The TRA specifically includes in

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10 See the American Institute in Taiwan (AIT) website at http://www.aит.org.tw/en/.
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dthis treatment the maintenance of all treaties (agreements between sovereign states); the continuation of “the ownership of or other rights or interests in properties, tangible and intangible, and other things of value” owned by the governing authorities on Taiwan prior to December 31, 1978; immigration laws; and the capacity of Taiwan to sue and be sued in U.S. courts.

In another key issue, the severing of diplomatic relations with Taiwan left both the Taiwan and U.S. governments with no practicable official way of managing programs, transactions, financial arrangements, consular services, or other relations with each other. Sections 6 through 9 of the TRA, then, established a non-profit, tax-exempt corporation separate from the U.S. government—the American Institute in Taiwan (AIT)—to handle those issues with Taiwan that would have been conducted by U.S. government authorities such as the State Department if diplomatic relations existed. The AIT is funded through an annual U.S. government appropriation and has offices in Taiwan (in Taipei and Kaohsiung) as well as in Washington, DC (headquartered in Arlington, Virginia). In providing for staffing for the AIT, Section 11 of the TRA states that U.S. government officers or employees may separate from the U.S. government in order to take a position with AIT. Upon completion of their service with AIT, such U.S. government employees are entitled to return to comparable positions in the U.S. government with no loss of “attendant rights, privileges, and benefits...” The title of the head of the U.S. AIT is “Director.”

The TRA provided for a comparable “Taiwan Instrumentality” in Section 10, authorizing the President to extend similar privileges and immunities to Taiwan officers of this instrumentality as Taiwan extended to AIT officials. Originally established as the Coordination Council for North American Affairs, (or CCNAA), the Taiwan office in Washington, DC, has been known as the Taipei Economic and Cultural Representative’s Office (TECRO) since 1994. In addition, TECRO oversees twelve other offices throughout the United States, known as Taiwan Economic and Cultural Offices (TECO); these are in Atlanta, Boston, Chicago, Guam, Honolulu, Houston, Kansas City, Los Angeles, Miami, New York, San Francisco, and Seattle. The title of the head of TECRO is “Representative.” AIT and TECRO officials operate on behalf of their governments in dealing with each other’s governments.

11 Taiwan Relations Act, P.L. 96-8, Section 11 (2).
U.S. Arms Sales Commitments to Taiwan

Although it is a common misperception that the TRA mandates the United States to defend Taiwan in case of attack, nothing in the TRA specifically obligates the United States to come to Taiwan’s defense or to resort to military conflict on Taiwan’s behalf. Section 2 of the TRA speaks in broad terms about U.S. interests in peaceful resolution to the Taiwan question, saying that any forceful resolution would be of “grave concern to the United States,” and further states that U.S. policy is to “maintain the capacity of the United States to resist ... coercion” in addressing the Taiwan issue. Section 3 provides for the sale of U.S. defense articles and services to Taiwan, but it is non-specific about the nature of these articles. It merely calls for “such defense articles and services ... as may be necessary to enable Taiwan to maintain a sufficient self-defense capability.” Section 3 gives Congress a role in determining what needs Taiwan may have.

Much of the U.S. debate on Taiwan arms sales since the TRA was enacted has involved differing judgments—often between Congress and the White House—about what should be the capabilities and quantities of the “necessary” articles and services provided for in Section 3 of the TRA. A more recent U.S. debate has evolved since 2001, after Taiwan itself began to appear increasingly hesitant (for domestic political reasons) to invest in some of the weapons systems that the United States offered for sale under the TRA. This latter development—undoubtedly unforeseen at the time of the TRA’s enactment—raises potentially consequential questions for Congress about how, or even if, the United States can honor its commitments under Section 3 of the TRA if Taiwan seems unwilling to participate meaningfully in expanding or at least in maintaining its own self-defense capacity, particularly in the face of significant and ongoing military improvements in the PRC.

Strategic Ambiguity

13 In a 2005 speech to the U.S.-Taiwan Business Council-Defense Industry Conference 2005, Ed Ross, Director of DOD’s Defense Security Cooperation Agency, strongly criticized Taiwan’s foot-dragging on passage of a defense budget that would allow purchases of U.S. weapons, saying it was reasonable in such a situation to question the level of U.S. commitment to Taiwan’s self-defense. Agence France-Presse, “Pentagon official warns Taiwan on defense spending,” September 21, 2005.
After normalization of Sino-U.S. relations and the severing of the U.S.-ROC military alliance, the PRC was largely satisfied with U.S. "one-China" formulations alluding to Taiwan’s political status. But upon Congress’ passage of the TRA, PRC leaders objected strenuously to the Act’s provision for continued U.S. arms sales to Taiwan, regarding it as a violation of U.S. commitments to end its military alliance with Taipei. After two years of bilateral tensions, a U.S.-PRC joint communiqué—the third and final Sino-U.S. communiqué since Nixon’s opening to China in 1972—addressed this point on August 17, 1982. In that communiqué, the PRC cited it had a “fundamental policy” of striving for a peaceful solution to the Taiwan question, while Washington stated that the United States did not:

seek to carry out a long-term policy of arms sales to Taiwan, that its arms sales to Taiwan will not exceed, either in qualitative or quantitative terms, the level of those supplied in recent years since the establishment of diplomatic relations between the United States and China, and that it intends to reduce gradually its sales of arms to Taiwan.14

The three U.S.-PRC communiqués and the 1979 Taiwan Relations Act for decades served as the framework by which U.S. officials balanced two competing policy objectives—widely referred to as U.S. “strategic ambiguity” about Taiwan. On the one hand were three communiqués in which U.S. policymakers recognized the legitimacy of the PRC government, appeared to acknowledge there was only “one China,” and suggested an eventual ending point to U.S. weapons sales to Taiwan. On the other was the TRA in which the United States established a statutory framework for maintaining extensive unofficial contacts with Taiwan and which committed the United States to providing weapons for Taiwan’s defense against what most saw as Taiwan’s only potential enemy—the PRC. “Strategic ambiguity” remained the basis of U.S. Taiwan policy throughout the 1980s and well into the 1990s, and many observers give it much of the credit for helping to facilitate U.S.-China

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14 While the 1982 communiqué was being negotiated, the Taiwan government presented the United States with six points it proposed be used as guidelines in conducting U.S.-Taiwan relations. According to former Ambassador John Holdridge, the United States agreed to these points—the so-called “six assurances.” The six points included assurances that the United States would not set a date for termination of arms sales to Taiwan, would not alter the terms of the Taiwan Relations Act, and would not pressure Taiwan to negotiate with China or act as mediator between Taiwan and China. See CRS Report 96-246, Taiwan: Texts of the Taiwan Relations Act, the U.S.-China Communiques, and the "Six Assurances", by Kerry Dumbaugh, for text of the "six assurances."
relations, preserve U.S.-Taiwan contacts, and protect Taiwan’s own political and economic interests.

Policy Implications and Issues for Congress

Despite the policy framework of the TRA and the three communiqués, Taiwan continues to be a particularly complex issue for U.S. policy and a recurring issue for Congress. Some of these complicating factors are old issues arising from the political compromises that the 1979 normalization process demanded—notably, the “one-China” formulation, U.S. security interests in and arms sales to Taiwan, and the U.S. position on Taiwan’s status in key international organizations. Other complications are the result of changing political trends, particularly in Taiwan, that have presented increasing challenges for the policy framework. These issues crop up periodically in congressional debate in ways that occasionally prompt comment from U.S. government officials.

One such recurring issue concerns the U.S. position on Taiwan’s membership in international organizations, such as the World Health Organization and the United Nations. The policy parameters in Section 4(d) of the Taiwan Relations Act make the following specific pronouncement on this point: “Nothing in this Act may be construed as a basis for supporting the exclusion or expulsion of Taiwan from continued membership in any international financial institution or any other international organization.” But nuance has crept into this TRA formulation in subsequent U.S. administrations. In his “three no’s” statement of June 30, 1998, for example, President Bill Clinton said “... we don’t believe that Taiwan should be a member of any organization for which statehood is a requirement.” Some claim that this phraseology is a misinterpretation of the relevant provision in the TRA.

Another such issue concerns the U.S. “one-China” policy formulation. Although the United States has never repudiated and in fact has continued forcefully to restate that commitment, purists can argue that the U.S. iterations of the “one China” policy over the years have departed from the original formulation in subtle but significant ways. The first two joint communiqués, below, address the “one China” issue in a similar manner, in contrast to the third communiqué, which injects more nuance into the formulation:
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• “The United States acknowledges that all Chinese on either side of the Taiwan Strait maintain there is but one China and that Taiwan is a part of China. The United States Government does not challenge that position.”—The Joint U.S.-China Communiqué, Shanghai, February 1972

• “The Government of the United States of America acknowledges the Chinese position that there is but one China and Taiwan is part of China.”—The Joint Communiqué on the Establishment of Diplomatic Relations Between the United States of America and the People’s Republic of China, January 1, 1979

• “In the Joint Communiqué [of January 1, 1979]... the United States of America ...acknowledged the Chinese position that there is but one China and Taiwan is part of China.... The United States Government attaches great importance to its relations with China, and reiterates that it has no intention of infringing on Chinese sovereignty and territorial integrity, or interfering in China’s internal affairs, or pursuing a policy of ‘two Chinas’ or ‘one China, one Taiwan.’”—The U.S.-China Joint Communiqué, August 17, 1982.

Enacted between the second and third communiqué, the Taiwan Relations Act of 1979 leaves the “one-China” question unaddressed. But language in the Conference Report suggests that the 96th Congress wanted to emphasize the “one-China” formulation contained in the first two communiqués. As the Conference Report states: “[The U.S. administration] has acknowledged the Chinese position that Taiwan is a part of China, but the United States has not itself agreed to this position.” Subsequent iterations by a series of U.S. administrations concerning U.S. policy on Taiwan almost always have adhered to bare-bones statements, with each being parsed and dissected meticulously by the parties involved for any hidden nuance or perceived change.15

A third issue is the question of U.S. arms sales to Taiwan, for which the TRA makes provision. Despite the 1982 communiqué in which the United States expressed intent to reduce and eventually end annual arms sales to Taiwan, such sales not only

15 The convoluted evolution of “one-China” policy statements among all three governments can be found in CRS Report RL30341, China/Taiwan: Evolution of the “One China” Policy—Key Statements from Washington, Beijing, and Taipei, by Shirley A. Kan.
have continued but in some years have increased substantially—nottably, with the George W. Bush administration's April 2001 weapons sale package to Taiwan that included, among other systems, four decommissioned Kidd-class destroyers, 12 anti-submarine warfare P-3 aircraft, and eight diesel submarines. This sale was surpassed in size and value only by the 1992 sale of 150 F-16 aircraft to Taiwan by the George H. W. Bush administration.

Debate also regularly recurs over what the United States should do if the PRC uses force against Taiwan. Some observers focus on the lack of any mandate in the TRA for U.S. military intervention, while others point out that the TRA bases the entire foundation of U.S.-PRC official relations on the premise that Taiwan's future will be resolved peacefully. Some believe that the potential for U.S. military conflict with China over Taiwan has grown given the PRC's military build-up opposite Taiwan, Beijing's refusal to renounce using force against the island, and intermittent but troubling U.S.-PRC naval encounters in the western Pacific and the South China Sea. Others suggest the potential for conflict has been minimized given the growing rapprochement, renewed negotiations, and cross-Strait ties between the PRC and Taiwan that have occurred after the 2008 election of Taiwan President Ma Ying-jeou.

In the years ahead, U.S. officials also are likely to continue to debate the medium and longer-term implications of China's military buildup on the PRC-Taiwan strategic military balance, particularly as it affects U.S. responsibilities under the TRA to assist Taiwan's self-defense.

The biggest complicating factor for U.S. policymakers today may come from Taiwan's own political circumstances, which have changed dramatically since Congress passed the 1979 TRA. Under the authoritarian rule of Chiang Kai-shek's Nationalist Party (also known as the KMT), Taiwan's political decisions were predictable, closely aligned with U.S. interests, and dependent largely on U.S. support. But several decades of political reforms have made Taiwan politics not only more democratic and more nationalistic, but more fluid and harder to predict.

16 Section 2(b)(3) of the TRA states that it is U.S. policy "to make clear that the United States decision to establish diplomatic relations with the [PRC] rests upon the expectation that the future of Taiwan will be determined by peaceful means."

Given the historical record and with continuing transformations in both the PRC and Taiwan political systems, U.S. officials may be facing new and more difficult policy choices concerning Taiwan in the coming years. While many consider Taiwan’s continuing democratic maturation, most recently demonstrated by the 2008 presidential election, to be a validation of U.S. goals for the spread of democratic values, that democratization also further emphasizes the unique and delicate challenges for U.S. policy that Taiwan poses. The U.S. government continues to embrace the efficacy of the fundamental U.S. policy framework on Taiwan—defined by one observer as “one-China, peaceful resolution, U.S. arms sales, the Taiwan Relations Act, and the three communiqués.” But other observers, including some members of Congress, appear critical of what they see as excessive U.S. secretiveness and substantive “inflexibility” on Taiwan issues.

Criticism has been leveled especially at the secretive set of “Taiwan Guidelines”—a lengthy and closely held State Department memo written in 1979-1980 purporting to govern what U.S. officials can and cannot do or say with respect to Taiwan after the severance of official U.S.-Taiwan relations. 18 Under the “Guidelines,” for instance, the U.S. government maintains that senior U.S. officials are unable to have any contact with senior Taiwan officials, and that Taiwan officials cannot be received in U.S. government buildings, because the United States does not recognize the government in Taiwan as the legitimate Chinese government. The full “Guidelines” reportedly are extremely confidential even within the U.S. government apparatus, although officials in relevant U.S. government departments are reminded of their basic premises periodically in an abbreviated memo. Reportedly, the only official modification of the “Guidelines” since their original inception occurred during the Clinton administration in 1993-1994, the principal change being the initiation of U.S. high-level engagement with Taiwan for economic entities. 19 The only public issuance of these modifications appears to have been given

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18 According to one former U.S. government official interviewed on July 5, 2006, much pertaining to the “Guidelines” is simply commonly understood practice—such as that high State Department and other senior U.S. government officials cannot go to Taiwan.

19 Some observers point out that the Taiwan Guidelines seem to have been bent on at least two other occasions without official modification—when U.S. Trade Representative Carla Hills, a cabinet officer, went to Taiwan in December 1992 to discuss U.S.-Taiwan trade ties, and when Taiwan President Lee Teng-hui in 1995 became the first Taiwan president since 1979 permitted to make a landmark “unofficial” visit to the United States.
in the 1994 testimony of Winston Lord, Assistant Secretary of State for East Asia, before the Senate Foreign Relations Committee.20

As of the date of this report, evidence suggests that the administration of President Barack Obama will continue to pursue the overall policy direction toward the PRC and Taiwan that past U.S. administrations have followed. But within this broad framework, it still is unclear what shading, if any, the administration may give to the U.S. policy direction or whether administration officials will undertake another Taiwan policy review to respond to new developments.

Some members of Congress and former U.S. government officials, for instance, have suggested that there is room for more flexibility on the logistics of daily U.S. interaction with Taiwan. In this view, the United States could ease the constraints on U.S. interaction with Taiwan and make clear that routine practical interactions—such as higher-level working visits, permitting Taiwan officials to enter the premises of the State Department and the National Security Council, or more routine treatment of requests for U.S. visits by senior Taiwan officials—have no implications for the U.S. “one China” policy. A few have taken the notion of flexibility even farther, arguing that the United States should scrap the “one China” policy altogether, despite the potentially grave costs to U.S.-China relations, and establish diplomatic relations with Taiwan.

Reflecting these views, members of Congress in recent years have introduced a number of measures calling for changes or for greater flexibility in U.S. policy on Taiwan. Measures introduced in the 111th Congress as of this writing include:

- A bill establishing diplomatic relations with Taiwan: H.Con.Res. 18 (introduced January 9, 2009 by Rep. John Linder);
- A measure expressing U.S. concern over and support for peaceful resolution to Taiwan’s political status: H. Con. Res. 200 (introduced October 15, 2009 by Rep. Robert Andrews);
- A provision funding democracy assistance to Taiwan: in S. 1434, the Department of State, Foreign Operations, and Related Agencies Appropriations Act for 2010 (introduced July 9, 2009);

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20 Hearing on Taiwan Policy, Senate Foreign Relations Committee/East Asian and Pacific Affairs, September 27, 1994.
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• And a provision requiring the Pentagon to assess and submit a report on the capabilities of Taiwan’s air force and a five-year plan for fulfilling U.S. defense obligations to Taiwan under the Taiwan Relations Act: in S. 1390, the National Defense Authorization Act for FY2010 (introduced July 2, 2009).
United States-China Relations and the Korean Peninsula: The Need for Multilaterally Articulated Deterrence and Prevention*

David M. Lampton, Ph.D.

**Introduction**

This essay focuses on the long-running crisis with the Democratic People’s Republic of Korea (DPRK), most particularly its October 2006 and May 2009 nuclear weapons tests, its associated and periodic missile launches, and the stalled Six-Party Talks, which, as of this writing in November 2009, may be resumed after a long hiatus.¹ As the world community addresses the issues of how to halt North Korea’s provocative and destabilizing behavior, limit possible future proliferation risks through North Korean transfers to state and non-state actors, denuclearize the Korean Peninsula, and in the longer run bring the North into a constructive relationship with its own people, its immediate neighbors, and the global community, a central question is: “What can be expected of the U.S.-China relationship in terms of meaningful, concerted, productive action to accomplish any or all of these objectives?”

My preliminary net assessments with respect to these questions are that: (1) While the United States and China currently enjoy their most fundamentally sound strategic relationship in modern times, each is greatly preoccupied with a range of other important domestic and foreign problems. (2) The “fundamental starting point for China in handling Korean peninsula affairs” (as Beijing said in UN Security Council Resolution 1696 of July 2006) is: “Maintaining peace and stability on the Korean peninsula.” (3) Given North Korean behavior, the full domestic and global plates of the two powers, and their somewhat different judgments about what constitutes “success” in the current situation, the shared default position seems to have become to try to get negotiations going.


¹ Ambassador Stephen Bosworth was scheduled to go to North Korea in December 2009 in the hope of resuming the Six-Party Talks. As of this writing, it remains to be seen what will be accomplished.
without offering further inducements and work for the long-term. And (4), the real questions have become: Will China effectively do its part to stop additional proliferation attempts by Pyongyang (help define and enforce a ‘red line’) and use its influence to the extent possible to halt the North’s most provocative external behavior? And, will Beijing do more to enforce U.N. Security Council Resolution 1874 than it has done with respect to UN. Resolution 1718 (though in all fairness Beijing previously has taken some meaningful steps)? In short, will Beijing become an effective part of a multilaterally articulated deterrence and prevention regime vis a vis the North, even as it tries to nudge Pyongyang back to the bargaining table of the Six-Party Talks in the short run and lead it down the reform path over the longer haul?

The Current State of U.S.-China Relations: Significant Strategic Convergence

A convergence of strategic circumstance, domestic leadership, and public opinion in both China and the United States has created an environment conducive to fundamentally stable, though not frictionless, U.S.-China relations. The building blocks of this foundation likely will remain in place for some time. Saying this is not to assert that one could not imagine adverse developments that could put U.S.-China relations on a different path. Among destabilizing developments one could envision are: Chinese reactions to weapons sales to Taiwan or some unwelcome cross-Strait development; a serious bout of U.S. retaliation against Chinese currency and trade practices resulting from an American polity that has lost patience; and, an event in either the United States or China that stimulates a “nationalistic reaction” that politicians might find difficult to control.

Though Fred Bergsten’s promotion of the “G-2” idea (“develop a G-2 between the United States and China to steer the global governance process” ³) is not an idea that should be pursued, the proposal does reflect a growing recognition that many world problems (with respect to global economic, ecological, and security/counter proliferation stabilization) cannot be effectively

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² I say “significant” strategic convergence because there remains worrisome strategic mistrust, particularly in the two nations’ security establishments, as well as in the respective publics, as discussed below.

addressed unless the United States and China have reasonably consonant positions. Nonetheless, the G-2 formulation should not be the signboard because the world faces many problems and in different problem areas, diverse countries will be more or less important. For each problem, a different coalition will need to be built. The protracted and episodic crisis with North Korea is a good example, where the ROK, Japan, and Russia are central. To operate within a framework (like “G-2”) that seemingly excludes so many others whose cooperation is needed is unwise. The Chinese seem to think so as well, with Premier Wen Jiabao saying as much in Prague in May 2009. The vision the United States and China should have is to be cooperative coalition builders; they should strive to be a critical mass to help address a broad range of global issues.

The idea of stabilization is the central common interest that supports U.S.-China relations. This diversified base for U.S.-China relations is intrinsically a firmer, interest-based foundation for ties than was the initial pillar of relations in the 1960s-1980s—explicit and quite broad-ranging anti-Soviet cooperation. With the demise of the Soviet empire and the Soviet Union itself in the 1989-1991 period, punctuated by the Tiananmen tragedy of June 1989, the U.S.-China relationship came to rely upon an economic rationale vulnerable to human rights and security critics in the 1990s and into the new millennium. By early in the Obama administration, however, a broader tripod of shared interests in stabilization had come to be articulated—on her February 2009 trip to Asia, in Seoul, Secretary of State Clinton noted that, “Successive administrations and Chinese governments have been poised back and forth on these issues [human rights-related concerns], and we have to continue to press them. But our pressing on those issues can’t interfere with the global economic crisis, the global climate change crisis, and the security crisis.”

Beyond these overlapping strategic concerns is a more fundamental reality—both China and the United States are so preoccupied with their domestic problems, and so motivated to minimize the drain, or further drain, of foreign entanglements, that

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4 Zbigniew Brzezinski formulated the proposition a bit more cautiously when he called for an “informal G-2.” See his, “Address under the Theme of ‘The Strategic Significance of Normalization of Sino-American Relations,’” Foreign Affairs Journal, Special Issue, January 2009, p. 18.

neither leadership believes that it can afford a major problem with the other, though I have the lurking anxiety that Chinese have come to (mistakenly) believe that Washington “needs” Beijing more than vice versa. A January 2009 Pew public opinion poll reported that 71 percent of Americans wanted their incoming president, Barack Obama, to focus on domestic affairs—only 11 percent said the focus should be on foreign affairs.⁶ As for the Chinese, Beijing never tires of repeating the mantra that foreign policy provides an environment for the peaceful pursuit of domestic modernization.

In both Beijing and Washington, therefore, there has been strategic convergence in the sense that both countries have domestic reform agendas of similarly sweeping scope (building, or rebuilding, the middle class; strengthening the social safety net; reforming education; reforming financial institutions; building infrastructure; and reforming health care delivery) that creates a jointly shared predisposition to avoid problems with each other. At the international level, interdependence has transformed previously “soft” transnational issues into “hard” security issues—such as climate change. “Hard” issues are more compelling politically than “soft” ones and these challenges cannot be addressed without considerable bilateral cooperation. Unheralded, the U.S.-China relationship has slid into a new and rather durable, broad strategic rationale, though there are risks and uncertainties.

One of these risks is that within the two nations’ security establishments a negative, co-dependence has developed in which the hedges and military modernization that each side wishes to undertake are justified by reference to the actions and future potentials of the other. The security hawks in each system are each other’s biggest allies. One observes this process at work in the growing naval, air, space, and cyber capabilities each side is acquiring. Another risk is seen in the respective anxieties and insecurities of each of our populations regarding the other. In both of these respects, the November 17, 2009, Sino-U.S. “Joint Statement” promising more military-to-military interaction, more dialogue on strategic and space issues, and more student exchanges is to be welcome.⁷

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Looking simply at the Chinese and American leaderships, and the initial Obama administration’s ranking appointments, one can see the importance Beijing and Washington attach to relations with each other. One of the first post-inauguration foreign leader phone conversations President Obama conducted was with President Hu Jintao—whom the U.S. president called⁸—whereupon the new U.S. president is reported by Beijing (not the White House⁹) to have described the bilateral relationship as: “the most important bilateral relations for both sides.”¹⁰ The importance of Asia for the new administration also was reflected in the fact that Hillary Clinton made her first trip abroad as secretary of state to Asia (though going to regional allies, Japan and the Republic of Korea, before China). For its part, China received Secretary Clinton at the highest level and sent Foreign Minister Yang Jiechi to Washington to work out the details for the first face-to-face meeting of the two presidents, this one in London in the context of the April 2009 G-20 meeting. At the London meeting of the two presidents, Obama agreed to visit China in late-2009, and they settled upon a somewhat modified format by which high-level dialogue between the two nations would continue—the U.S.-China Strategic and Economic Dialogue, with the treasury secretary taking the lead on economic issues and the secretary of state doing so with respect to diplomatic and other related issues.¹¹ Immediately thereafter, in May-June, Treasury Secretary Geithner was in Beijing calling for what I would characterize as reciprocal actions to stabilize the world economy. Toward the end of the year, in November, President Obama made a three-day visit to the PRC that resulted in a wide-ranging “joint statement”¹² of November 17 enumerating a large number of areas where future bilateral cooperation should be pursued, including space.

Turning to personnel, if one examines the ranking and early appointments of the Obama administration one is struck by the China-relevant experience and by the degree to which the policy

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⁹ The White House Office of the Press Secretary, “Readout on the President’s Call to Hu Jintao,” January 30, 2009.


¹¹ I say “modified” form because in the administration of George W. Bush the treasury secretary acted solo in a super-cabinet role and there was a separate Senior Dialogue between the two diplomatic establishments conducted at the deputy secretary level.

interests and responsibilities of several ranking appointees require productive relations with Beijing. Here I have in mind secretaries Hillary Clinton, Timothy Geithner, Robert Gates, Steven Chu, Ambassador John Huntsman, and many experts at various senior ranks such as Larry Summers, James Steinberg, Ashton Carter, Jeffrey Bader, and Kurt Campbell, among others.

Because I have written about Chinese leadership and leadership development elsewhere, as have many others such as Cheng Li, I will not treat PRC counterparts and other leaders with parity. I note, however, that in the diplomatic realm PRC counterparts to the Americans mentioned above (State Councilor Dai Bingguo, Vice Premier Wang Qishan, Foreign Minister Yang Jiechi, head of the Taiwan Affairs Office Wang Yi, and China’s leaders more broadly throughout the system) represent a positive combination of competence and commitment to the relationship.

Public and elite opinions are important as well. Currently we have a circumstance in which the respective publics in both countries have their anxieties about the other society, but the degree of mutual mistrust does not currently assume unmanageable proportions or force leaders into unproductive postures—public and elite opinion are permissive. On the one hand, for instance, a January 2008 Gallup Poll found that 14 percent of Americans were willing to designate China as the “United States’ greatest enemy” and a late-2009 Pew Poll found that 53 percent of the general public saw China as a “major threat.” On the other hand, the same Pew Poll found that, “[T]here is a growing belief among CFR [Council on Foreign Relations members] that China, along with India, will be more important U.S. allies in the future.” If one looks at comparative American “favorability ratings” of nineteen countries as measured by the Gallup organization in February 2009, it is striking that China is in the middle of the pack at number 10, preceded by Israel (number 7), Egypt (number 8), and Mexico (number 9), and followed by

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Russia (number 11), Saudi Arabia (number 12), and Cuba (number 13).

In China, while there is a lively debate about whether globalization is good or not, and the United States is popularly blamed for being the incubation site of, and the vector for spreading, the global economic contagion, the Beijing leadership is not under unmanageable popular pressure in its dealings with Washington. Of course, unanticipated events that trigger nationalism and create opportunities for popular mobilization in both nations could rapidly change this circumstance. It also is true that U.S. attitudes toward China never have fully recovered from the mid-1989 reversal of sentiment that immediately followed the Tiananmen events.

In sum, if we assert that stabilization (of the global economy, ecology, and security) is the core common interest between the United States and China in the current era, both sides have in place personnel that not only are in tune with that broad vision, but who have considerable experience dealing with one another and this range of problems. The public opinion setting in both countries has its populist and negative dimensions, but is not irresistibly driving leaders toward policy excess. All these considerations, however, do not mean that Beijing and Washington will easily agree about what they should respectively should do regarding nettlesome issues such as climate change, global economic system restructuring, Taiwan and Tibet, and a host of other issues, not the least North Korea, the subject to which we now turn.

Sino-American Cooperation Will Not Easy, but It Is Essential: The North Korean Problem

China is situated in a tough and complicated neighborhood, whether one looks at it from the viewpoint of failed states on its periphery that could spill their problems into China (the DPRK, Afghanistan, and increasingly Pakistan) or from the vantage point of nuclear proliferation that has recently occurred, or is within sight, in North Korea, Pakistan, and Iran. Each of these societies is one with which China has relatively close relations but which, in the current context, present increasing problems for Beijing. Because

China has considerations in dealing with each of these problematic cases that the United States does not have, it is unsurprising that the United States and the PRC often have different preferences concerning how to concretely deal with the problems emanating from each. In each of these cases, the Chinese have perceived a United States more predisposed to employ coercive means (force or sanctions) than they feel comfortable with. Moreover, the PRC simply does not like the implication of a forward U.S. military presence around its near-in periphery, which a coercive U.S. response to these regional problems implies.

Consequently, one finds that while the Chinese oppose North Korean nuclear and missile system developments and tests, such as those seen in May, June, and July 2009, and while Beijing has upon occasion applied pressure to get Pyongyang to the negotiating table, the PRC is nonetheless willing to live with a North Korea moving toward more and more nuclear and delivery capabilities, as long as the North Koreans do not light the fuse to actual hostilities that would threaten core Chinese interests, namely stability in the PRC’s northeast. Negotiations and stability are Beijing’s real measures of success, not absolutely eliminating nuclear weapons on the Korean Peninsula. Beijing would like the latter, but it will settle for the former. This was evident, once again, in the almost three-week-long UN Security Council discussions over new sanctions on Pyongyang (UN Res. 1874, June 12, 2009) in the wake of the May 25, 2009, North Korean nuclear test. Beijing, as did Moscow, eventually went along with tougher sanctions than ever before, but none that would threaten regime stability in North Korea. Each seemingly tough sanction has some clause that softens its potential impact, at least in terms of the requirement for specific muscular action by Beijing.

In the longer term perspective, Beijing believes (probably correctly) that only economic development along a trajectory similar to China’s own in the era of reform offers a real prospect for a new and more constructive North Korean role in the international system. So, since at least 1992, we have seen a Beijing and Washington that agree about broad principles but differ over concrete means, with the result that while occasionally Beijing, Washington, Seoul, Moscow, and Tokyo (as well as the UN Security Council) can agree on slapping Pyongyang’s wrists, North Korea steadily has acquired its own nuclear devices and increasing delivery capabilities. North Korea quite apparently is committed to keeping its nuclear arsenal (whatever its character), will pay the
prices necessary to do so, and Beijing will not knowingly threaten Pyongyang's regime stability, all the while being supremely frustrated by North Korean actions and trying to get the DPRK back to the negotiating table.

An acid test of Beijing from an American interest point of view will be whether or not it inspects North Korean shipments crossing its air space, territorial waters, and territory. If North Korea is able to proliferate nuclear (or other WMD) materials, equipment, and delivery systems using Chinese air, land, or sea space, and particularly if some use of North Korean-supplied capabilities occurs by another state or non-state actor, this could prove highly damaging to U.S.-China relations.

In short, China and Washington share the desire for a non-nuclear, stable, and progressive North Korea, but the two capitals often will not agree on the concrete measures needed to achieve these objectives. Washington finds Beijing reluctant to be identified with tough, potentially destabilizing measures regarding Pyongyang, and this will be a source of frustration to any U.S. administration looking for more active PRC cooperation to achieve denuclearization and counter-proliferation objectives. Beijing's priority focus on its own economic development provides it the ever-ready framework for deferral. Underlying this all, Beijing's level of anxiety about both terrorism and nuclear proliferation is not as high as that in the United States.

Net Assessments and Recommendations

The United States and China currently have sound bilateral relations, a relationship, the importance of which increasingly is being judged not only in terms of regional problems, but in terms of global issues as well—North Korea certainly is a regional problem with global impact. The bedrock of the U.S.-China strategic relationship is stabilization (stabilization of the global ecological, economic, and security/counter-proliferation systems). The North Korean problem, therefore, is part of the core of the rationale for sound U.S.-China relations, but it is only a part of that complex core. The fact is that both Beijing and Washington are overloaded with domestic reform objectives and system-threatening international economic and security problems, unfortunately of which North Korea is only one.
With respect to the North Korean issue, the U.S. and China do not have identical priorities, though they both desire peninsular denuclearization. Given their somewhat different priorities and overloaded agendas, Beijing and Washington have slid into the following policy framework—work as closely together as they can on their different core issues without letting the intractable differences on one eliminate the possibility of cooperating on the others. Such an approach is understandable, even necessary. But, in my view, a further evolution and articulation of policy regarding North Korea is needed to bring objectives, capabilities, national wills, and objective circumstances into closer alignment. Otherwise, Sino-American relations will remain vulnerable to a reckless Pyongyang and the world will continue to live with a truly dangerous proliferation threat.

The broad features of this policy evolution should be as follows and clearly articulated by Beijing, Washington, the ROK, Japan, and Russia, and perhaps the broader international community: 1) Pyongyang’s proliferation of nuclear technology (or other technologies of WMD) or materials, or the means for their delivery, will lead the powers to adopt muscular, program-ending, and quite possibly regime changing, actions—a genuine red line; 2) Each of the powers will take effective actions to assure that their territorial waters, land, and air space are not used for such proliferation activities by North Korea or its proxies and will implement effectively the sanctions already in place; 3) Each of the powers will adopt constructive economic and diplomatic policies toward Pyongyang, and move promptly toward diplomatic relations (in the case of the United States), if North Korea verifiably halts and dismantles its nuclear programs. 4) The United States is willing to talk with North Korea both bilaterally and in the Six-Party forum, but the topic of such discussions would be denuclearization under the premise of trading irreversible and verifiable actions toward denuclearization for tangible reciprocity. In short, we need to put more reliance on multilaterally defined, and effective, prevention and deterrence of the most worrisome North Korean behavior, while holding out the promise of a more positive future should North Korean behavior change.

Desirable though this further evolution of policy may be, Beijing is likely to be resistant to public articulation of the first two features of the above prescription, as the weight of the preceding

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18 Here, the DPRK’s immediate neighbors (China, the ROK, and Russia) are most important because a leak through any one of them defeats the entire system).
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analysis suggests. If these or similar steps are not taken, it keeps the U.S.-China relationship vulnerable to North Korean proliferation and other activities, it weakens the strategic rationale for U.S.-China relations, it indicates to the North Koreans that China will in effect protect it from the consequences of its own dangerous actions, it gives both South Korea and Japan incentives to move along courses that may not be fully agreeable to Beijing, and the absence of such measures abets further erosion of the global non-proliferation regime with all its attendant dangers.

Some may argue that such a policy would effectively abandon the possibility of near-term eradication of nuclear weapons from the Peninsula. One could only ask in return, “Is there any evidence that Pyongyang would ever do so under anything like current circumstances?” “Is there any evidence that any power in or out of the region is prepared to musccularly accomplish this objective?” If the answer to these questions is “no,” then objectives, capabilities, will, and policy need to be brought into better alignment. Deterrence, multilaterally articulated, may be an essential part of the way forward.
China and the Global Financial Crisis: Implications for the United States

Wayne M. Morrison

China’s Stake in the Current Crisis

China’s economy is heavily dependent on global trade and investment flows. In 2007, China overtook the United States to become the world’s second largest merchandise exporter after the European Union (EU). China’s net exports (exports minus imports) contributed to one-third of its GDP growth in 2007. The Chinese government estimates that the foreign trade sector employs more than 80 million people, of which 28 million work in foreign-invested enterprises.\(^1\) Foreign direct investment (FDI) flows to China have been a major factor behind its productivity gains and rapid economic growth. FDI flows to China in 2007 totaled $75 billion, making it the largest FDI recipient among developing countries and the third largest overall, after the EU and the United States. A global economic slowdown (especially among its major export markets—the United States, the EU, and Japan) could have a significant negative impact on China’s export sector and industries that depend on FDI flows.

There are indications that the Chinese economy is already slowing down. Chinese real GDP growth for January through September 2008 was 9.9 percent, which was 2.3 percentage points lower than growth in the same period in 2007.\(^2\) Global Insight, an international forecasting firm, projected in October 2008 that China’s GDP growth would slow from 11.9 percent in 2007 to 9.4 percent in 2008, and to 7.3 percent in 2009.\(^3\) Some analysts contend annual economic growth of less than 8 percent could lead to social unrest, given that every year there are 20 million new job seekers in China.\(^4\) According to the International Monetary Fund (IMF), China was the single most important contributor to world

\(^1\) Invest in China, September 10, 2007

\(^2\) In addition, year on year GDP growth in the third quarter was 9 percent. Exports grew by 22.3 percent, a drop of 4.8 percentage points over the same period in 2007.

\(^3\) Global Insight, China, November 24, 2008.

\(^4\) According to Xinhua Net (March 9, 2008), China’s Labor and Social Security Minister Tian Chengping warned that the employment situation in China in 2008 was expected to be “very severe,” noting that towns and cities would be able to provide only 12 million new jobs.
economic growth in 2007.\(^5\) Thus, a Chinese economic slowdown could also have global implications.

**China’s Exposure to the Global Financial Crisis**

The extent of China’s exposure to the current global financial crisis, in particular from the fallout of the U.S. sub-prime mortgage problem, is unclear.\(^6\) On the one hand, China places numerous restrictions on capital flows, particularly outflows, in part so that it can maintain its managed float currency policy.\(^7\) These restrictions limit the ability of Chinese citizens and many firms to invest their savings overseas, compelling them to invest those savings domestically, (such as in banks, the stock markets, real estate, and business ventures), although some Chinese attempt to shift funds overseas illegally. Thus, the exposure of Chinese private sector firms and individual Chinese investors to sub-prime U.S. mortgages is likely to be small.

On the other hand, Chinese government entities, such as the State Administration of Foreign Exchange, the China Investment Corporation (a $200 billion sovereign wealth fund created in 2007),\(^8\) state banks, and state-owned enterprises, may have been more exposed to troubled U.S. mortgage securities. Chinese government entities account for the lion’s share of China’s (legal) capital outflows, much of which derives from China’s large and growing foreign exchange reserves. These reserves rose from $403 billion in 2003 (year-end) to $1.9 trillion as of September 2008.\(^9\) In order to earn interest on these holdings, the Chinese government invests in overseas assets. A large portion of China’s reserves are believed to be invested in U.S. securities, such as long-term (LT) Treasury debt (used to finance the federal deficit), LT U.S. agency debt (such as Freddie Mac and Fannie Mae mortgage-backed securities), LT U.S.


\(^6\) Some analysts contend that China’s policy of keeping the value of its currency low against the dollar and large purchases of U.S. debt may have been a contributing cause to the current global financial crisis.

\(^7\) China’s central bank manages its currency (the renminbi or yuan) against a basket of major currencies (largely the U.S. dollar) by heavily intervening in international currency markets to maintain targeted exchange rates. See CRS Report, RL32165, *China’s Currency: Economic Issues and Options for U.S. Trade Policy*, by Wayne M. Morrison and Marc Labonte.

\(^8\) For an overview of the China Investment Corporation, see CRS Report RL34337, *China’s Sovereign Wealth Fund*, by Michael F. Martin.

\(^9\) China’s large and growing reserves are largely the result of China’s currency policy (which requires the government to intervene in currency markets to prevent the renminbi from appreciating), large levels of FDI, and large trade surpluses.
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corporate debt, LT U.S. equities, and short-term (ST) debt. The Treasury Department estimates that, as of June 2007, China’s holdings of U.S. securities totaled $922 billion, making China the second largest foreign holder of such securities (after Japan). Of this total, $467 billion were in LT Treasury securities, $364 billion were in LT U.S. agency securities, $29 billion in LT equities, $28 billion in LT corporate securities, and $23 billion in ST debt.

If China held troubled sub-prime mortgage backed securities, they would likely be included in the corporate securities category and certain U.S. equities (which include investment company share funds, such as open-end funds, closed-end funds, money market mutual funds, and hedge funds) which may have been invested in real estate. However, these were a relatively small share of China’s total U.S. securities holdings. China’s holdings of Fannie Mae and Freddie Mac securities (though not their stock) were likely to have been more substantial, but less risky (compared to other mortgage-backed securities), especially after these two institutions were placed in conservatorship by the Federal Government in September 2008 and thus have government backing.

The Chinese government generally does not release detailed information on the holdings of its financial entities, although some of its banks have reported on their level of exposure to sub-prime U.S. mortgages. Such entities have generally reported that their exposure to troubled sub-prime U.S. mortgages has been minor relative to their total investments, that they have liquidated such assets and/or have written off losses, and that they (the banks) continue to earn high profit margins. For example, the Bank of China (one of China’s largest state-owned commercial banks) reported in March 2008 that its investment in asset-backed

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10 ST debt includes Treasury, agency, corporate, and equity debt with less than one-year maturity.

11 Although the Chinese government does not make public the dollar composition of its foreign exchange holdings, many analysts estimate this level to be around 70 percent. Based on this estimate, China’s holdings of such securities may have risen to about $1.3 trillion as of September 2008.

12 China was the largest foreign holder of U.S. agency debt, accounting for 29 percent of total.

13 According to the Treasury Department, China was not among the top 10 global investors of U.S. corporate mortgage-backed securities.


securities supported by U.S. sub-prime mortgages totaled $10.6 billion in 2006 (accounting for 3.5 percent of its investment securities portfolio). In October 2008, it reported that it had reduced holdings of such securities to $3.3 billion (1.4 percent of its total securities investments) by the end of September 2008, while its holdings of debt securities issued or backed by Freddie Mac and Fannie Mae were at $10 billion. Fitch Ratings service reported that the Bank of China’s exposure to U.S. subprime-related investments was the largest among Asian financial institutions, and that further losses from these investments were likely, but went on to state that the Bank of China would be able to absorb any related losses “without undue strain.”

However, Chinese banks are not immune to financial problems. There are several indicators that China’s economy is slowing, which could present difficult challenges for the banking system in the years ahead, such as a sharp increase in non-performing loans. For example, the real estate market in several Chinese cities has exhibited signs of a bursting bubble, including a slowdown in construction, falling prices, and growing levels of unoccupied buildings. This has increased pressure on the banks to lower interest rates further to stabilize the market, but has raised concerns that doing so could result in higher inflation.

In addition, the value of China’s largest stock market, the Shanghai Stock Exchange Composite Index, fell by 67 percent from January 1 to October 27, 2008. China’s media reports that export orders in 2008 have declined sharply. From January to August 2008 toy exports were 20.8 percent lower than they were during the same period in 2007, and from January to July, more than half of China’s toy exporters shut down. The Federation of Hong Kong Industries recently estimated that 2.5 million Chinese workers employed by Hong Kong firms in the Pearl River Delta region could soon lose their jobs. On November 3, 2008, Chinese Premier

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17 Although Chinese banks have claimed to have earned large profits in recent years, many analysts contend the banking system may be weaker than reflected in their reported data. A large share of bank loans go to state-owned firms and risk management remains relatively weak. A slowing Chinese economy could produce a new wave of non-performing loans.
19 China Xinhua News Agency, October 14, 2008
20 South China Morning Post, October 24, 2008.
Wen Jiabao warned that 2008 would be the “worst in recent times” for China’s economy.\(^{21}\)

**China’s Response to the Crisis**

China has taken a number of steps to respond to the global financial crisis. On September 27, 2008, Jiabao reportedly stated, “What we can do now is to maintain the steady and fast growth of the national economy, and ensure that no major fluctuations will happen. That will be our greatest contribution to the world economy under the current circumstances.”\(^{22}\) On October 25, a Chinese Foreign Affairs official as reported by China’s media as saying that China supported “effective and comprehensive reforms” of the global financial system. On October 30, another official stated “In the future we are also willing, within the ambit of our abilities, to continue positively considering participating in a range of rescue plans.” On November 14, China reportedly offered a $500 million aid package to Pakistan. On November 15, 2008, Chinese President Hu Jintao participated in the summit meeting of the Group of 20 (G-20) countries in Washington, D.C., to discuss the current crisis. Many analysts have urged China to boost its funding to the IMF to help stabilize troubled economies.

In October, 8, 2008, China’s central bank announced a cut (50 basis points) to its benchmark interest rate (and the reserve-requirement ratio), which coincided with rate cuts by the U.S. Federal Reserve and several other major central banks. China cut its rates again (by 27 basis points) on October 29 following the Federal Reserve’s cut (by 50 basis points). China has also indicated plans to make greater efforts to shore up its own economy to promote greater domestic demand, boost living standards in the poorer sections of the country, achieve more balanced economic growth (e.g., lowering dependency on exports), and address a number of economic and social issues, such as boosting energy efficiency, lowering pollution, narrowing income disparities, and improving the social safety net (such as health care, education, pensions, and social security).

A number of initiatives were announced by the government in October 2008, including plans to: implement a new economic stimulus package, including an acceleration of construction

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\(^{22}\) Chinaview, September 27, 2008.
projects, new export tax rebates; tax and interest rate cuts on housing transactions; increased agriculture subsidies and new loans for small and medium-sized enterprises; and elimination of taxes on interest income from stocks and savings. On November 9, the Chinese government announced it would implement a two-year $586 billion stimulus package, mainly dedicated to infrastructure projects.

China’s Potential Role and Implications for the United States

Analysts debate what role China might play in responding to the global financial crisis, given its huge foreign exchange reserves but its relative reluctance to become a major player in global economic affairs and its tendency to be cautious with its reserves. Some have speculated that China would, in order to help stabilize its most important trading partner (the United States), boost purchases of U.S. securities (especially treasury securities) in order to help fund the hundreds of billions of dollars that are expected to be spent by the U.S. government to purchase troubled assets and stimulate the economy.

Additionally, China might try to shore up the U.S. economy by buying U.S. stocks. On September 21, 2008, the White House indicated that President Bush had called Chinese President Hu Jintao about the financial crisis and steps the administration was planning to take. An unnamed Chinese trade official was reported as stating, “The purpose of that call was to ask for China’s help to deal with this financial crisis by urging China to hold even more U.S. Treasury bonds and U.S. assets.” The official was further quoted as saying that China recognized that it “has a stake” in the health of the U.S. economy, both as a major market for Chinese exports and in terms of preserving the value of U.S.-based assets held by China and that a stabilized U.S. economy was in China’s own interest.

Some contend that taking an active role to help the United States (and other troubled economies) would boost China’s image as a positive contributor to world economic stability, similar to what occurred during the 1997-1998 Asian financial crisis when it offered

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23 China Xinhua News Agency, Special Report, Financial Crisis.
24 The U.S. Treasury Department reported on November 19, 2008, that in September 2008, China overtook Japan to become the largest foreign holder of U.S. Treasury securities, at $585 billion.
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financial aid to Thailand and pledged not to devalue its currency even though other East Asian economies had done so, a move that was highly praised by U.S. officials.

On the other hand, there are a number of reasons why China might be reluctant to increase significantly its U.S. investments. One concern could be whether increased Chinese investments in the U.S. economy would produce long-term economic benefits for China. Some Chinese investments in U.S. financial companies have fared poorly, and Chinese officials could be reluctant to put additional money into investments that were deemed to be too risky.²⁶ Secondly, a sharp economic downturn of the Chinese economy would likely increase pressure to invest money at home, rather than overseas. Many analysts (including some in China) have questioned the wisdom of China’s policy of investing a large volume of foreign exchange reserves in U.S. government securities (which offer a relatively low rate of return) when China has such huge development deeds at home. Many Chinese officials contend that maintaining strong economic growth in China is the most effective action China can take to promote global economic growth.

While additional large-scale Chinese purchases of U.S. securities might provide short-term benefits to the U.S. economy and may be welcomed by some policymakers, they could also raise a number of issues and concerns. Some U.S. policymakers have expressed concern that China might try to use its large holdings of U.S. securities as leverage against U.S. policies it opposes. For example, various Chinese government officials reportedly suggested on a number of occasions in the past that China could dump (or threaten to dump) a large share of its holdings in order to counter U.S. pressure (such as threats of trade sanctions) on various trade issues (such as China’s currency policy). In exchange for new purchases of U.S. debt, China would likely expect U.S. policymakers to lower expectations that China will move more rapidly to reform its financial sector and/or allow its currency to appreciate more substantially against the dollar.²⁷ Some analysts have suggested that China could choose to utilize its reserves to

²⁶ For example, in June 2007, China’s sovereign wealth fund bought $3 billion worth of shares from Blackstone LP (a U.S. private equity firm) at $31 each, but the value of those shares fell to below $8 as of October 2008.

²⁷ China’s currency has appreciated by about 19 percent to the dollar since reforms were made in July 2005, but many U.S. policymakers contend that it remains significantly undervalued.
buy stakes in various distressed U.S. industries (such as autos). However, this could also raise concerns in the United States that China was being allowed to buy equity or ownership in U.S. firms at rock bottom prices, that technology and intellectual property from acquired firms could be transferred to Chinese business entities (boosting their competitiveness vis-a-vis U.S. firms), and that becoming a large stakeholder in major U.S. companies would give the Chinese government enormous new political influence in the United States. U.S. policymakers in the past have sometimes opposed attempts by Chinese firms to acquire shares or ownership of U.S. firms.

28 Most Chinese firms that have been allowed to invest overseas are state-owned enterprises.
29 For example, efforts by a Chinese state-owned oil company (CNOOC) in 2005 to purchase a U.S. energy company (Unocal) was widely opposed in Congress and eventually led the Chinese company to drop its bid. In 2007 a Chinese firm (Huawei) attempted to buy a stake in a U.S. technology company (3Com), but dropped its bid after a number of national security concerns were raised in a review by the U.S. committee on Foreign Investment in the United States.
U.S.-Chinese Relations and Cooperation with Southern African Countries: How It Can Make a Difference

David B. Rowland

Introduction

Economic collaboration by the United States and China with specific African countries can have a valuable impact on the people living there. Africa is home to enormous amounts of untapped economic potential such as natural resources and labor capacity. The United States and China are increasingly involved in Africa for its natural resources, potential trade markets, security concerns, and global health considerations. Meanwhile, African nations face numerous challenges due to political instability, bad economic policies, conflict, and corrupt governance. The United States and China are the two external actors that can promote the necessary and drastic transformation to make these countries more productive. U.S.-Chinese economic cooperation focused on southern African countries has the potential to serve both American and Chinese interests while at the same time reliably benefiting these African nations and their people.

It is possible for the United States and China to cooperate in the areas of infrastructure development and investment, trade, labor development, and energy and natural resource improvement. The United States and China have completed complementary projects throughout southern Africa and the synchronization of these types of projects would more effectively enhance economic development. Cooperation in these economic areas will allow both the United States and China to benefit from the foreign assistance as well as these African nations.

Aggressively coordinating and synchronizing American and Chinese efforts in African countries will maximize economic benefits as well as demonstrate to the global community that these two powerful nations can work together, potentially with little
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political cost. Economic cooperation efforts in Africa can lead to partnerships in more sensitive sectors such as diplomacy and security.

United States Foreign Policy in Africa

The U.S. has a long and sometimes turbulent history in sub-Saharan Africa. However, the “United States is Africa’s largest single country market” which makes it a very important country on the continent.¹ U.S. foreign policy with respect to Africa can have a dramatic impact on the countries and people that reside there.

U.S. policy toward Africa during the eight years of the Bush administration generally emphasized five areas: democracy building and adherence to human rights; socioeconomic development; trade promotion; investment; and environmental protection and management.² While those goals in Africa focused on encouraging Africa to progress and develop, critics of the administration claim that the Global War on Terror (GWOT) and the protection of oil supplies encompassed the Bush administration’s efforts in Africa.³ Still, “U.S. bilateral assistance has more than doubled to Sub-Saharan Africa” during this period; however, some claim the assistance could have been spent on better long-term programs.⁴ Many of the programs, including health, development, and security, that began under the Bush administration or received increased funding during that time period have continued after the administration left office. Security and public health concerns influenced the administration’s approach, but economics was a major factor in three of the five major areas of focus and has the greatest potential for positively affecting African governments and people. Socioeconomic development, trade promotion, and investment are contained within the sphere of economics and received significant attention by government officials and businesses.

The Obama administration is still relatively new in its leadership of the world’s most powerful country, but Africa has played an increasingly important part in foreign affairs. The Obama administration’s approach to Africa can be accumulated from speeches given by the President and Secretary of State, since the Obama administration has not published a consolidated document on its African policies. President Obama made a short stop in Africa in July 2009, where he highlighted his administration’s framework for its African policy. He emphasized strong and stable democratic governments, supporting development that creates jobs, trade and investment promotion, strengthening public health, and energy. Obama’s short stop in Africa was followed in August 2009 by Secretary of State Clinton’s seven-nation visit, which included the countries of Cape Verde, Liberia, Nigeria, the Democratic Republic of Congo, Angola, South Africa, and finally Kenya. In her speech to the Eighth African Growth and Opportunity Act (AGOA) Forum in Nairobi, Kenya, she emphasized five areas: trade; development; good governance; energy development, and women. The Obama administration’s African policy, while not explicitly stated, will likely follow along the lines of the President and Secretary Clinton’s speeches. Any funding changes will likely come later in the Obama administration’s term.

Based on the African policy trends from the Bush administration and the comments by the Obama administration, economics will play a prominent role in the U.S. foreign policy goals and objectives in Africa. Development, trade, and investment will remain significant parts of the overall strategy in Africa. The State Department also has ongoing programs supporting education and technical assistance. The Obama administration likely will add energy development in Africa to its overall approach to African policy, along with environmental protection and sustainability. This is slightly different from the previous administration’s energy security approach in Africa to secure and promote energy

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7 African Policy is influenced by many factors in the United States, such as Congress, the media, Non-Governmental Organizations (NGOs), lobbyist, and various think tanks. This paper will concern itself solely with the Executive branch of the government, as it sets U.S. Foreign Policy.
resources for the United States, most commonly in the form of crude oil.

For this essay, public health and the fight against AIDS will not be considered part of an economic strategy. While public health has a significant impact on the available labor force, it is a separately funded and focused program apart from economic development, trade, etc. Labor development is a significant factor in the productivity of African nations; therefore, programs that educate and train workers for employment will make an important contribution to the economic growth and sustainability of those nations.

The People’s Republic of China’s Foreign Policy in Africa

The People Republic of China (PRC) is one of the world’s leading developing countries with an estimated population of 1.3 billion. Its economic capacity and other factors, such as a permanent seat on the United Nations Security Council, make it an influential and powerful country. Internationally, the PRC has expanded operations around the globe, including making forays into Africa. China has a significantly increasing presence on the African continent and adapted its policy to meet its national objectives.

A thorough understanding of China’s influence is difficult due to the lack of reliable data on current Chinese foreign aid and the lack of transparency on investment agreements. China’s overall foreign policy goals are a mix of political and economic factors like many nations. However, due to the close, if not synonymous, relationship between the Chinese business community, with state-run enterprises, and the political-diplomatic community, it is sometimes hard to distinguish the different goals. In Africa, it is clear that Chinese foreign policy is based on three key elements:

(1) Diplomacy and support for Chinese policies in international affairs (2) search for resources, especially energy, and (3) new markets for Chinese products and services in tandem with creation of jobs.8


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Washington Journal of Modern China
The dominant factor of China’s relations with African countries is trade. Sino-African ties are driven by China’s demand for Africa’s plentiful commodities, notably oil and unprocessed metals and minerals, to supply its rapidly growing economy, and by African demand for Chinese goods and services. However, it is sometimes difficult to separate Chinese business deals from political objectives, aid, and military sales, as China often offers “package deals.” The bulk of China’s African policy published in 2006 focuses on the economic field and outlines areas in which China and African countries can work together. The policy also advocates the role of the United Nations in Africa as an international institution.

Chinese aid, a significant part of its policy, is known for being unrestricted and unregulated, as opposed to Western and American aid, which is tied to governance, transparency, etc... However, there are a few unstated Chinese conditions for nations seeking to receive aid. The first is the recognition of China as the sole Chinese government, the One China Policy, and requiring the recipient nation to sever ties with Taiwan. The second stipulates the aid recipient “must agree to use such assistance to buy or accept goods, services, or credit from China.” This condition ensures China has a market that will continue to drive its domestic economic expansion, a great concern for Chinese leaders. Significantly, China does not tie its aid packages with good governance, human rights, corruption reform, or democracy development. Without these internal change conditions, the trade relations and assistance from China are very attractive to African nations.

The most important aspect of Chinese-African cooperation is in the energy sector. According to the Energy Information Agency, in 2008 China imported 30 percent of its oil from Africa, the second

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largest region behind the Middle East. China will continue to require large amounts of energy, and believes that Africa remains a very promising area that has not been fully developed by the United States or other Western European countries. The untapped capacity of African oil has attracted many developed countries to the continent. China uses its state-owned enterprises (SOEs) to support “aid and various forms of development assistance in their search for resources” in Africa, allowing China to accomplish both energy security and cultivate diplomatic support. Large state-owned enterprises demonstrate the blur between economic and diplomatic goals and the difficulty to distinguish between private investment and government sanctioned aid. Energy SOE’s will continue to be a significant factor in the implementation of China’s African policy.

While PRC economic support and involvement in Africa is significant, it is not without critics; not everyone is winning in the Chinese version of the “win-win” scenario. Some of the criticism includes poor pay of African workers, lack of safety protection for workers, and the use of short-term contracts. Additionally, China is criticized for importing large Chinese labor battalions in lieu of employing local workers, and importing large quantities of cheap goods that may contribute to the destruction of local businesses. As a relatively new big investor in the continent, China will have to address some of these concerns—especially those voiced by the African people.

Probable Areas of Economic Cooperation Opportunity

Possibilities for mutually beneficial economic cooperation between the U.S. and China exist in Africa, while at the same time continuing to work towards the goals of the multiple countries involved. The areas of cooperation overlap frequently in regions and countries, sometimes without intention. U.S. and China assistance in infrastructure development and investment,

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enhancing trade, training and educating the labor force, and aiding energy and natural resource development, will not only help African countries, but also their own economic growth.

Infrastructure Development and Investments

The U.S. and China both have development and investment programs sanctioned by their respective governments. Infrastructure development and investments covers a wide spectrum of business endeavors. Besides traditional infrastructure projects such as ground transportation, water, power development, and other similar public works, the sector has also expanded to telecommunications and aviation support areas. However, in order for African countries to support an increase in multilateral and bilateral trade, further development and “modernization of ports, road, and rail transport, and telecommunications and information technology (IT) capacity” is necessary.  

Infrastructure development is an important aspect to economic growth in African countries. The U.S. and China have different approaches to development and what constitutes development. China is very involved in large, “heavy”, infrastructure public works, such as building roads, bridges, stadiums, and harbors. Meanwhile, the U.S. African long-term development assistance, which mostly is administered by USAID,

Seeks to address the root causes of conflict and to mitigate the effects of natural disasters by promoting environmentally sound natural resource management, improving citizen access to basic health services and education, creating income-generating opportunities, and encouraging accountable and transparent governance.  

In both cases, development is positive for African countries that need assistance. Many nations most in need of assistance are still resolving internal disputes, such as the Democratic Republic of Congo, or are in a post-conflict scenario, such as Angola. Some are simply underdeveloped and never had the investment in infrastructure or sustained development, as in the case of Namibia.

which struggles in many development sectors. African leaders see the U.S. and China as countries that are “able to offer different kinds of investment and aid (which do not necessarily overlap), and want to enjoy the benefits of strong relations with all.”

For instance, transportation networks are an integral part of a nation’s infrastructure. A developed network allows goods and services to move throughout the country for domestic, regional, and international markets. Tanzania is a case where Chinese and U.S. transportation development projects complement each other. Tanzania faces major challenges in its transportation infrastructure that impair its ability to expand economic growth. According to the World Bank, Tanzania has one of the worst road networks in Sub-Saharan Africa and needs extensive construction and assistance.

Therefore, in Tanzania the U.S. Millennium Challenge Corporation sponsors projects to “rehabilitate and upgrade three truck roads on the mainland; repair selected rural roads on Pemba Island;” and fund road maintenance throughout the country. As many of Tanzania’s people use the country’s road network, getting truck access into more remote locations will improve commerce.

Similar to the road network, the railroad network provides Tanzania, and other Sub-Saharan countries, the ability to increase trade flow and improve general mobility, domestically and regionally. The Tanzanian rail network is inefficient and lacks the necessary capacity needed in such a large country. To assist Tanzania in improving its railroad sector, China is funding TZS 40 billion for the Tanzania Zambia Railway Authority “as well as technical support in order for it to recapitalize.”

China both are assisting Tanzanian transportation development, they are not directly competing against one another. Tanzanians are the ones that most benefit from the transportation system assistance, while U.S. and Chinese businesses see transportation cost decrease because of these projects.

Another important infrastructure sector is the information, communications, and technology (ICT) sector. This sector is especially important for internet conductivity and interoperability of mobile phone networks, which currently surpasses landline usage in Africa. China is very active in developing this sector, both privately and publically. Their efforts have involved direct support from several leading Chinese multinational corporations, including TCL Corporation, Lenovo, and Huawei. For instance, Huawei is actively providing network and technology services in 19 different African countries, 13 of which are in Sub-Saharan Africa. This direct support involves building communication towers and laying ground lines that connect many parts of Africa that previously had poor or unreliable service.

The U.S., on the other hand, has very few direct ICT businesses operating in Africa, but the USTDA spends over 20 percent of its annual Sub-Saharan African budget on ICT operations. Most of the programs sponsored by USTDA are regionally focused, with only a few exceptions dedicated for specific African countries, instead attempting to promote local ICT business development. Microsoft is active in Africa with various domestic partners providing technology, which it believes will provide opportunities to facilitate trade and overcome barriers. The United States is providing regional expertise for integrating ICT networks while China is actively selling specific services and building parts of the infrastructure. When more U.S. ICT businesses enter the market, there likely will be an increase of competition between the U.S. and Chinese businesses, which will be a beneficial

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development, both domestically and internationally, for the African and foreign firms. The African Union, via NEPAD, has realized the need for African nations to develop an ICT infrastructure, and the United States and China are making important contributions. With continued U.S. and Chinese investments, Africans have a developing ICT network they have been lacking for many years.

Investment in African countries can come in multiple forms. One of the most common and indirect forms of investment is debt forgiveness or relief. This is the partial or total forgiveness of debt or the slowing or stopping of debt growth, which is particularly damaging to countries in debt. Removal of debt, through debt relief programs, increases domestic economic growth over the long term. Cancelling or reducing some of this financial burden frees capital, allowing African nations to support other growth and development activities in their respective nations. The effect of debt relief programs is the indebted country will not require future aid in order to sustain economic recovery and growth and prevent a recession into poverty. In effect, the debt relief acts as a loan that the country does not have to pay back.

The over $200 billion in African debt is the “biggest impediment to sustained development on the continent,” which makes national debt a significant obstacle for many African countries. The U.S. supports reducing external debt in Sub-Saharan Africa through the Heavily Indebted Poor Countries Initiative (HIPC) and the Multilateral Debt Relief Initiative (MDRI). The HIPC, which is based on economic policies and poverty reduction efforts by the recipient countries, has directly received a total of $675 million from the United States. The U.S. also is credited with assisting over 19 African countries with $34 billion in

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debt relief through the Multilateral Debt Relief Initiative.\textsuperscript{39} China has
debt relief initiatives of its own, mostly through the Import-Export
Bank of China. Through 2007, it is estimated China cancelled the
debt of 31 African countries, valued around $5.5 billion.\textsuperscript{40} Both the
U.S. and China are significantly contributing to the debt relief effort
in Africa.

Debt relief, however, is a highly controversial subject; there
is frequent debate around whether nations are forgiving or altering
the correct debt amount, too little relief, or too much. China, as a
new donor and source of financial assistance, receives criticism for
providing quick debt relief without requiring recipient nations to
implement any financial reforms or an increase in government
transparency.\textsuperscript{41} On the other hand, some believe China is directly
contributing to growth in African countries, and its result is net
positive.\textsuperscript{42} In either case, Africans are benefiting from the increase
in capital flow and reduced burden of debt in relation to its GDP.

Africans acknowledge the need for debt relief and recognize
the U.S. and China as the principal countries with the resources to
ensure relief takes place.\textsuperscript{43} For instance, Zambia has received $576
million in debt relief through the HIPC/MDRI program, as well as
$211 million of debt that was forgiven by China in 2006.\textsuperscript{44} This
enormous amount of debt relief reduced Zambia’s debt from 86
percent of its GDP to 8.8 percent. Zambia can now put this money
into other domestic investments, particularly investing in its natural
resources, rather than paying off the principle of the initial loan. By

\textsuperscript{39} U.S. Department of State, “U.S.-Africa Partnership for Growth and Development,”
http://www.america.gov/st/texttrans-
english/2008/September/20080919144555eafas0.6991236.html (accessed September
21, 2009).
\textsuperscript{40} The Stanley Foundation, “Africa at Risk or Rising? The Role of Europe, North America,
and China on the Continent,” The Stanley Foundation
(2007): 4,
(accessed September 9, 2009), 4.
\textsuperscript{41} U.S. Library of Congress, Congressional Research Service, CRS Report for Congress
34620, Comparing Global Influence: China’s and U.S. Diplomacy, Foreign Aid, Trade, and
\textsuperscript{42} Helmut Reisen & Sokhna Ndoye, “Prudent versus Imprudent Lending to Africa: From
Debt Relief to Emerging Lenders,” (Working Paper No. 268, OECD Development Centre,
February 2008), 42.
Council on Foreign Relations (September 11, 2007): 119,
www.cfr.org/content/publications/attachments/Trilateral_Report.pdf (accessed September
9, 2009).
\textsuperscript{44} International Monetary Fund, “The Multilateral Debt Relief Initiative,” under “Factsheet—
2009); “China forgives $200m Zambia Debt,” African Business, January 1, 2007, Dow
Jones Factiva.
assisting African countries, China and the U.S. are building foundations for long-term economic ties to many African countries.

Sustainable Trade Relations

By building on development and investments into African countries, America and China can capitalize on those expenditures by increasing trade. Building trade relations with African countries is important for the United States and China. Each country has developed various programs to encourage trade with specific African countries and trade communities for access to African resources and market potential.

One of the most important means to building trade capacity is creating ways for goods to quickly and efficiently flow through ports of entry and exit to consumers. China and the U.S. both have sponsored the development of trade hubs or centers, which facilitate trade into and out of Africa. The U.S. sponsored four Global Competitiveness Hubs in Ghana, Senegal, Botswana, and Kenya.45 The goals of these trade hubs are to improve trade policy regionally and domestically, improve trade infrastructure, and encourage enterprise development programs.46 China’s trade centers are located in Cameroon, Cote d’Ivoire, Gabon, Guinea, Kenya, Mali, Mozambique, Nigeria, Tanzania, and Zambia.47 These centers provide business consultation services to Chinese enterprises in Africa, access to special funds, and simplified procedures to encourage Chinese investment.48 For example, the trade hub in Botswana is credited with creating over $15.8 million in new export deals and is expected to continue to generate more business-to-business deals in the immediate future.49 These hubs are building blocks for African countries to enter the global market and increase trade volume. Investing in these centers is a long-

48 Ibid.
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term strategy for China and the U.S., with continued funding projected for the future.

Trade agreements between African countries with the U.S. and China are also an important aspect of creating sustainable economic growth for African countries. Allowing preferential market access measures and free trade agreements should stimulate an increase of trade flow for African countries.\(^{50}\) China only recently began signing trade agreements with African countries, most of which closely coincided with its launch of the Forum on China-Africa Cooperation (FOCAC) in 2000, or its release of China’s “African Policy” in 2006. China has yet to sign any full-fledged Free Trade Agreements with any African countries, although negotiations are under way with the Southern African Customs Union (SACU). In southern Africa, China has Bilateral Investment Treaties (BITs) with Botswana, the Democratic Republic of Congo, Malawi, Mozambique, South Africa, Zambia, and Zimbabwe.\(^{51}\) The United States has BITs in southern Africa with the Democratic Republic of Congo and Mozambique. The U.S. has another level of trade agreements, Trade and Investment Framework Agreements (TIFAs), which are more encompassing than a BIT, and are a step towards free trade agreements. The U.S. has TIFAs in place with Angola, the Common Market for Eastern and Southern Africa (which includes the DRC, Malawi, Swaziland, Zambia, and Zimbabwe), Mauritius, Mozambique, and South Africa.\(^{52}\) The trade agreements help increase trade flow and enhance the possibility of future investments for all the involved countries.

In the case of Mozambique, with which both the United States and China have BITs, trade has increased in the brief period since the investment treaties have been in place. Mozambique’s BITs with China and the U.S. went into effect in 2002 and 2005, respectively. In addition to the BIT advantages with the U.S., Mozambique is eligible for trade benefits under the African Growth and Opportunity Act and the Generalized System of Preferences.

\(^{50}\) Other internal implementation factors of those agreements will also have an impact on trade not discussed here. Harry G. Broadman, *Africa’s Silk Road: China and India’s New Economic Frontier,* (Washington D.C.: The World Bank, 2007), 104.


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Between 2007 and 2008, exports from the U.S. to Mozambique increased 85.6 percent, to $213 million, and imports from Mozambique increased 213.7 percent, to $17 million, a total value of $230 million in trade.\textsuperscript{53} Trade between China and Mozambique reached $284.1 million in 2007, which was over eight times the trade value that existed in 2001.\textsuperscript{54} After the bilateral investment treaties went into effect, Mozambique saw a substantial increase in trade volume and generated growth in its economy.

The World Bank gave Mozambique positive reviews for its change in trade policies and its increased market access while demonstrating a high potential for future trade commitments and liberalization.\textsuperscript{55} By China and the United States signing a bilateral investment agreement with Mozambique, all parties saw an increase in beneficial trade volume. Expanding trade agreements to other African countries and regional trade communities will further enhance African growth and development. However, sustainable growth and development in these countries is difficult to maintain unless they have something to offer China and the United States.

**Labor Development and Enhancement**

A significant part of sustainable growth is offering businesses and enterprises opportunities that do not exist anywhere else in the global marketplace. Labor is often cited as a very crucial component of economic growth and sustainment. One of Africa’s greatest problems and challenges is unemployment, which is a critical destabilizing issue in African countries. In order for African countries find ways to create jobs in the near, medium, and long-term,\textsuperscript{56} the available labor quality needs improvement and development.

Part of creating a viable labor force is education. Education allows technological manufacturing processes and other jobs requiring skilled labor to come to African countries. Further training


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and assistance beyond basic education will also help attract development and investments. The U.S. supports some of these goals by promoting education and training through USAID and the MCC. The MCC currently has one specific education project in Namibia. USAID has multiple projects including the Africa Education Initiative (AEI), which focuses on basic education and teacher training, agriculture training and assistance, and the Higher Education for Development program that focuses on university level education for Africans. Finally, the African Development Foundation (ADF) provides grants specifically directed at small enterprises for training and technical assistance in order to promote small business and community enterprises.

China also has dedicated a large amount of resources to educating Africans. Education training includes state funded university scholarships for Africans to attend Chinese universities; sending Chinese teachers to Africa; and specific Chinese programs targeting medium level professional training and applied technology training courses. Additionally, China pledged to establish an African Human Resources Development Foundation fund scheduled to reach $5 billion in an effort to assist in African education. Africans need this assistance in education, no matter where it comes from, as Africa itself failed to meet some of its own education goals. Both China and the U.S. are helping invest in Africa’s future by educating their youth and labor force. In the long term, the U.S. and China will be able to capitalize on the trained labor force by hiring domestic professionals rather than providing their own, which is usually more costly.

The country of Namibia has specifically benefited from the investment in education by the U.S. and China. The U.S. government, through various departments, has sponsored over 469

Namibians for U.S.-based education and training in specific fields in 2007. U.S. private firms are also independently assisting Namibia. For example, the Carnegie Corporation donated $2.4 million to the University of Namibia to support scientific and engineering research. In 2006, China sponsored 62 Namibian officials and technical personnel to attend Chinese courses ranging from public administration, agriculture, and mining, awarded 21 scholarships to Chinese universities, and supports the University of Namibia by sending Chinese professors to teach in physics and chemistry. Those Chinese professors will likely use privately donated U.S. equipment to educate Namibians. Education and training helps Namibia reach its educational goals so that it can not only attract more investors by marketing itself as an appealing place for multinational corporations to settle, but also qualify for international aid and assistance.

**Energy and Natural Resource Improvement**

Long-term investments include investing in the ability for African countries to sustain their available human resources, as well as their natural resources. Africa, with its vast natural resources, is quickly becoming an important energy source for many countries. Africa needs investment in its own energy generation projects to “increase sustainability,” both in centralized and decentralized systems. This means they need to produce energy on both a large and small scale, as well as utilize the energy resources available for export, specifically on the value added part of trade systems. Assisting African nations to develop their resources responsibly and provide energy for their own people is important to sustainable economic growth.

Natural resources cover a wide variety of possibilities. In South Africa, a country known for its resource potential, the U.S. and China are investing to enhance South Africa’s ability to increase the value of its resources rather than simply exporting raw goods. In the oil sector, Chevron and Total (which has a 28 percent...
American minority holding, close behind France) are assisting South Africa to develop downstream petroleum markets. By helping develop downstream markets, this will optimize petroleum production, and increase productivity and efficiency for South Africa’s petroleum sector.

Meanwhile, China is interested in South Africa’s mining sector to gain access to raw materials but is doing so in a manner that increases the value of the product in South Africa. China’s Jiuquan Iron and Steel Company bought several chrome mines and furnaces near Pretoria. The company injects money into the furnaces so that they “give added value (turning chrome into ferrochrome), and then buys the material at the world market price.” In this way, China is helping the mining industry create a valuable product for export using domestic resources for sale on the global market. By investing in the value added portion of the supply chain, the U.S. and China can significantly assist South African industry.

Renewable and non-carbon emitting sources of energy are quickly becoming an important part of energy development in many Sub-Saharan countries. Mozambique provides an example where the U.S. and China are both operating in the same energy sector with different niches, but at the same time providing necessary energy requirements to the nation. Mozambique is “rich in modern energy resources such as hydropower” and can use these resources to power domestic and regional needs. As with many large Chinese investment and development projects, China, through the Export-Import Bank, is financing $2.3 billion in loan packages for the Mpanda Nkuwa Hydro Power Plant. This large plant is projected to provide domestic power for Mozambique’s power grid and export electricity to neighboring South Africa and other SADC members. It has the potential to provide electricity to a

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domestic market that never had reliable electricity as well as a source of income by exporting the energy outside its borders.

The U.S., meanwhile, is focused on providing hydropower and hydropower support projects on a smaller scale in Mozambique. The USTDA is investing over $600,000 in the feasibility study and development of a hydropower plant along the smaller Luria River to assist smaller communities gain access to electricity that they otherwise would not have.\(^{70}\) Additionally, U.S. engineers, sponsored by the U.S. Energy Association, visited some of Mozambique’s smaller power stations and hydropower plants to assist in energy efficiency to reduce the loss of electricity from creation, throughout the distribution chain, then arrival to customers.\(^{71}\) Energy development sponsored by the U.S. and China assists Mozambique, and is in line with SADC and NEPAD project goals for energy infrastructure development. In this case, U.S. and Chinese energy investments complement each other as a part of a comprehensive energy sector approach for the entire country.

**Recommendations**

U.S. and Chinese African policies have areas of convergent economic interest that can allow them to cooperate in Africa; including infrastructure development, investments, trade, labor development, and energy and natural resource management. These economic areas are also important to African countries as they seek to advance their countries. A comprehensive joint strategy between the two powerful countries would expand upon the gains already made in some southern African countries. Synchronizing these efforts is the most important contribution the U.S. and China can have in Africa. Their investments can greatly assist these countries to improve the lives of their people, while also enabling the U.S. and China to benefit from the economic relationship, including gaining access to resources, an increase in trade, and an improved business environment. African countries also benefit by harvesting the natural resources they possess, improving infrastructure within the country, and gaining valuable and much needed trade partners.


Instead of cooperating with each other, the alternative is for the United States and China to compete directly against each other in every African country where they are both interested. The net result of such competition would be negative, similar to the impact of the U.S.-Soviet rivalry during the Cold War in Africa. This type of alternative would allow corrupt African leaders to play the United States and China off against each “other as they did with the Soviet Union [over] twenty years ago.” The African states would not foster investments and development in areas that increase the future economic potential of the particular nation; instead they would likely continue political and business corruption for a benefiting few elite. Without reforms across a broad spectrum of sectors, a good business climate, and improved infrastructure, the U.S. and China will not be able to benefit from the natural resources and other potential assets African countries possess. In the worst case, economic competition between the U.S. and China might escalate and become a fierce rivalry in Africa, which could lead to negative consequences for African countries, similar to the past involvements of other nations in Africa.

One option to coordinate such cooperation is a single African government to take the leadership and coordinator role to ensure synchronization of various projects. For Angola, which has a new relatively strong and functioning government, it could be a good opportunity for the country to take control of its own future. The new government has problems as well, but is at a stage of development where it is able to manage its own affairs. The Angolan Ministry of Planning could lead this effort with considerable participation from the Angolan Ministry of Finance, since it deals with most of monetary investments used to fund projects. Significant assistance in this planning and synchronization role can come from the United States and China. Angola can also benefit from assistance through African institutions such as the African Development Bank and NEPAD so that Africans are involved in the economic solutions that will affect the region. The joint committee, established and hosted by the Angolan government, would be responsible for staffing requirements and organize annual meetings to plan and coordinate projects in Angola. This type of committee would bring together the most important participants in rebuilding Angola.

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This option, with the host country taking a prominent role, is the ideal situation because it places responsibility on the Angolan government for success. Encouragement from the U.S. State Department and Chinese Ministry of Foreign Affairs is necessary; they will need to increase funding and staffing in their Angolan embassies in order to help accomplish economic solutions. Additional foreign staff will need to include experts from other parts of the U.S. and Chinese governments, such as in the areas of agriculture and energy.

In cases like the Democratic Republic of Congo, it is unlikely that the Congolese government could take the lead role in rebuilding its economy due to inadequacies of the government itself, such as the inability to control its own borders and extreme corruption in the government. Cooperation in the DRC between the U.S. and China will need to occur in a variety of ways including initiatives led by the U.S., China, or multilateral organizations. By assisting the DRC, the U.S. and China will have better access to its natural resource potential and a more reliable trade partner. As in Angola, both the U.S. and Chinese will need to increase its foreign staff and funding in order to assist and coordinate many of the activities that are necessary. For instance, in the case of transportation infrastructure, China is very active in southern Africa constructing and refurbishing large projects and has pledged over $6 billion to Congolese development. Chinese expertise would be apt to coordinate efforts with the U.S., as well as other contributors, in integrating the various efforts across the country. Establishing a forum or committee to conduct annual meetings would be the first step in improving the implementation and synchronization of infrastructure activities.

In the case labor development, third party international organizations are better suited to address some of the issues in Congo. Support from the U.S. and China is necessary for the United Nations Development Program or World Bank Labor Market Team to emphasize a coordinated effort in Congo. By relying on a multilateral effort, the U.S. and China can utilize the expertise of an existing system, but still get the end result of an educated and trained labor force. The U.S. and China will need to pressure the UNDP or the World Bank to establish a Congo program on labor development. These international organizations already have similar programs, but just need to emphasize Congo or the labor development sector. By synchronizing labor development programs
from NGOs, the U.S. and China, there will be a greater positive impact in education and creating a skilled labor force.

In the energy sector, developing the energy capabilities and infrastructure are necessary for development across a variety of sectors. Power creation, especially through hydropower, is one of the necessary steps in the DRC’s development. Third party African leadership is needed to assist Congo’s energy development due to the government’s inability. The African Development Bank’s Energy and Power Sector is aptly suited to assume this role while the United States and China can continue to invest in large and small projects throughout the country in an effort to improve the energy situation there. The Bank’s Energy and Power Sector is active in southern African power development and has the resources, influence, and ability to help Congo synchronize those efforts.

Economic cooperation between the U.S. and China in countries such as Angola and the Democratic Republic of Congo is important for not only trade relations but also stability in the region. Angola and the DRC provide good examples of African countries attempting to escape from the cycle of conflict and use their natural resources so that they can benefit as well as foreign investors who come there. Angola, with large energy reserves and a stable government, is poised to be an influential country in the Southern African Development Community (SADC). Angola has the potential to “become a partner that can help reinforce security and stability in Africa,” but cannot do it without coordinated efforts with the U.S. and Chinese governments. Meanwhile, the size, location, and wealth of natural resources found in the Democratic Republic of Congo command the attention and economic efforts of the United States and China. Stability through economic progress in Congo will help bring some peace and stability to the entire Great Lakes region of Africa. Cooperating in Angola and the DRC can also demonstrate to other African countries, besides the global community, that the United States and China can work together on a variety of areas.

A collaborative effort in Angola and the DRC can lead to ways for the U.S. and China to expand that type of cooperation within the region. As a first step, the U.S. can improve the U.S.-SADC Forum by elevating its status to the assistant secretary level,

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which will give it more legitimacy, influence, and importance. Currently, the United States’ ambassador to Botswana serves as the U.S. Special Representative to SADC; however, most of the U.S.-SADC relations are with assistant administrators from USAID. The U.S. could also propose to SADC members that China be invited to participate in the forum as an observer or member to help work on southern African issues. With this type of cooperation at a multilateral forum, the United States and China can help tackle cross-border issues and integrate the economy. A stronger SADC would make it easier for the United States and China to negotiate trade treaties and reduce time and cost when dealing with many of the SADC countries and SADC with be empowered as a regional body. U.S. and Chinese participation in a forum such as this can possibly resolve cross-border issues like boundary disputes, smuggling, and labor movement between Angola and the Democratic Republic of Congo through a regional African body.  

Economic cooperation between the U.S. and China is possible, but will take a formidable effort by both parties. Both countries are committed to the region, as it is becoming a more important source of natural resources, investment opportunities, and markets. Assisting countries like Angola and the Democratic Republic of Congo helps all countries benefit economically. This type of cooperation between the United States and China in Africa could lead to collaboration on a broader scale, including the diplomatic and security sector, which might lead to a more unified diplomatic effort in countries like Zimbabwe and Sudan. This can be achieved if the two countries can work together in areas where their interest already converge, such as those outlined in this paper.

74 Angola and the DRC have a few disputes between the two countries. These include boundary disputes over the Cabinda region, Angola has expelled thousands of Congolese workers and miners, and diamonds are regularly smuggled from Angola to the DRC for export to the world market.

Chi Wang, Ph.D.

The Mumford Years
Beginning of a Library Career

On the eve of the 80th anniversary of the founding of the Division of Chinese Literature at the Library of Congress, I would like to reflect upon my close to a half-century career at the Library and share some of my experiences there as well as discuss the development of scholarly work on China in the United States.

As a young man, I never dreamed that I would make my career at the Library. Indeed, it is an unlikely place of employment for a man who originally majored in agriculture and never took a degree in Library Science. Before I left China in 1949, my father had urged me to study either medicine or agriculture—he, as many Chinese of his generation, was convinced that China’s future depended on men educated in such fields. I respected his wishes, and in 1952 began my university studies with an agricultural major, receiving a bachelor’s degree in agriculture from the University of Maryland at College Park in 1957. However, as the political situation in China was unstable, my father asked me to stay in the United States.

I was quite familiar with the Library of Congress as a university student. I enjoyed using the facilities to read about China-related topics and often met Dr. Hu Shih there in the early 1950s. Dr. Hu, a famous Chinese scholar, educator, and statesman, was a friend of my father, and he often came to our home in Peking to discuss Chinese current events with my father when Dr. Hu was the president of Peking University.

∗ This article is an excerpt from my personal memoirs, which will be published later in 2010. This is a brief look at my Library of Congress career, which spanned nearly 47 years and during which was privileged to work under the leadership of three Librarians of Congress: Dr. L. Quincy Mumford (1954-1975), Dr. Daniel Boorstin (1975-1987), and Dr. James H. Billington (1987-Present). I am very proud to have served under these three men, and feel very lucky to have been able to work so many years at the Library and contribute to the development of the Chinese section.
After a brief stint as a lab technician, I found that I did not care for the work and began looking for a job outside of my field. John Young, a professor of Japanese history at Georgetown University informed me of a position at the Library of Congress, a one-year contract job supervising the microfilming project of the pre-war Japanese army-navy-air force archives confiscated by General Douglas MacArthur during the occupation of Japan in the 1940s. I was hired for the position in early 1957. Unfortunately, at the request of the Japanese government, these materials were returned later that same year with only a small fraction microfilmed—a great loss not only to the library, but also to scholarship on modern Japan.

Nevertheless, this project had great significance to me for both personal and professional reasons. First, it was through this project that I met my future wife, who was at that time a student at Georgetown University also working on the microfilm project. In addition, it sparked my interest in Chinese history. I had daily contact with archival materials, and I frequently saw names of people that I knew in them, from Chiang Kai-shek to many other important Nationalist and Communist leaders. It was also through this project that I had the pleasure of meeting some prominent scholars of East Asian Studies—including Professors Carrington Goodrich (Columbia), C. Martin Wilbur (Columbia), and Professor of Japanese history Hitoshi Yanaga (Yale), author of *Japan Since Perry*. I felt that it was a great honor to have contact with these scholars. I was tremendously impressed with the depth of their knowledge about China and Japan, and soon, I, too, wanted to learn more about my native land. My curiosity piqued, I made the decision to study history.

It was also through the microfilm project that I met two men who helped change my career. After my stint as supervisor of the Japanese military archives project, I was encouraged by Dr. Warren Tsuneishi, head of the Far Eastern Languages Section at the Library of Congress, to apply for another job. Dr. Tsuneishi was a remarkable man with an interesting past. As a young man during World War II, he was interned for a time in a Utah camp for Japanese-Americans. Later, however, he joined the armed forces and fought for the United States in the Pacific. After the war, he was stationed in Korea for two years. He was kind, scholarly man who had earned both Ph.D. and library science degrees. I had great respect for this very low-key, humble, and open-minded person.
Joseph E. P. Wang, a China scholar and specialist in Chinese literature in charge of cataloguing of Chinese books at the library, also suggested that I work for the cataloguing office. This job, however, was very competitive—at this time catalogue cards still were handwritten and the quality of calligraphy was an integral part of the selection process. To the surprise of my friends—and others in the Chinese community who did not realize that I had good handwriting—I was chosen for the job. My real career at the Library of Congress thus began in this way. I am very grateful to both of these men for their compassion and willingness to help a young man at the beginning of his career.

I spent the first two years of my employment becoming acquainted with the library and its patrons. At first, I was not quite sure if I would make a good librarian, but I soon discovered that I enjoyed working with people and discussing their research, and that I also loved books of all kinds—the two essential parts of my work. Through my job as a processing assistant, I had access to Chinese books and was able to examine every item that came into the Chinese section of the library. I began to appreciate that each book has its merits and represents the achievement of an individual. Furthermore, I also met many people through my duties of receiving, cataloguing and delivering books. Indeed, in my first two years at the library I met many top China scholars, both American and Chinese, as the majority of university professors come to the library to use its vast resources. I learned a great deal about both China and America through conversations with these academics, and considered myself very fortunate to have the opportunity to meet them.

Although I had originally intended to remain only temporarily at the Library of Congress, after the first year I decided to stay. I enjoyed the contact that I had with people and was very happy in this junior position at the library.

New Developments in My Academic and Professional Career

It was also at this time that I married. My wife was in graduate school at Georgetown University and encouraged me to attend as well. It seemed a logical course of action, considering my interest in Chinese history, and I began my studies at Georgetown University in 1960. However, Professor Joseph Sebes, S.J., a Jesuit priest and historian at Georgetown University told me that
because my bachelor’s degree was in agriculture, I must first make up undergraduate requirements before beginning graduate work. When I finished these courses, I was admitted into the Ph.D. program, working closely with Father Sebes. Sebes had also lived a very interesting life. As a young Hungarian Jesuit priest in China, he had been interned in a Japanese camp during World War II. Before that, he was a high school teacher in a remote part of northern China. After the war, he studied in Rome for a degree in theology and later received his Ph.D. in Far Eastern History from Harvard under the direction of John King Fairbank. Father Sebes was an inspiration to me, and I am very grateful to him for his help in my academic career. He later became the dean of the School of Foreign Service at Georgetown, the oldest school of foreign service in the U.S., and gave me the opportunity to not only attend Georgetown, but later to teach there.

One of the most challenging assignments of my career at the Library of Congress came in 1959 when the decision was made to begin automation of the Chinese-language cataloguing cards. An expensive, photo-composing machine was imported from Japan for the task. It came unassembled and I was given the assignment of making it work, a challenge that I successfully met.

Oddly enough, this incident led to another major break in my career. In 1960, John Sherrod, chief of the Library of Congress Science and Technology Division was looking for someone to fill a position in Chinese, Japanese, and Korean science. I came to his attention when my photograph with the new photo-composing machine was published in the Library of Congress Information Bulletin. Due to my degree in agriculture, I had a background in science and was a good candidate for the job. Within six months, I...
My Library of Congress Years

was hired by the Science Division and stayed at this job for six years, from 1960 to 1966.

Sherrod’s goal was to build an outstanding “Oriental Science” collection. To that end, I compiled a directory of Chinese science-related topics, including a list of publications, scientists, and universities that offered courses in science and technology. This compilation then was used to determine which materials to acquire. It later was published in 1961 by the U.S. Government Printing Office, and became an important reference book for libraries at that time.

At the time that I began this project, most scholars doubted the capabilities of China’s science programs—after all, China was a poor nation that sent a large number of its science students to the United States for study. John Sherrod, however, possessed a different philosophy and recommended a different approach. Believing that in the future China would become a first-rate science nation (Japan at the time was already on its way), Sherrod suggested we collect Chinese, Japanese, and Korean publications—in the future they would be essential to understanding the developmental stages of these nations’ science programs. From 1961 to 1966, I strove to build up a basic collection in Oriental science with the full support of John Sherrod. As a perk of this position, I had the honor of meeting a number of top American scientists. Mr. Sherrod gave me an opportunity to transform from a library technician to a professional librarian, a major advancement in my library career.

During this early period, I recommended that the library subscribe to over 500 Chinese science journals from mainland China, and over 1000 Japanese science journals. This was the core of the Asian science periodical collection in the Library of Congress. I also compiled several bibliographies listing the titles of the Chinese and Japanese scientific journals in the Library of Congress holdings. By the time I retired, the Chinese science collection at the Library of Congress, which I helped to build, had more than 4,000 periodicals in the field of science and technology. The total periodical collection in the Chinese section had around 12,000 titles. The Chinese section regularly provided inter library loan service to government and university libraries, and averaged 200 requests for these periodicals per month. In fact, the Library of Congress was the only library in the U.S. to acquire Chinese and Japanese scientific titles. As most American libraries only collect
Chinese social science and humanities publications, it is really quite unique. It is the best of its kind outside China and an excellent resource for those who follow Chinese science publications. In fact, many American scientific institutions borrowed the Library’s Chinese scientific publications through the interlibrary loan service.

At this time, I also built a good relationship with my colleague Arthur G. Renstrom. An expert on the Wright brothers, he was the science division reference section head. We shared an office for nearly four years and became good friends. Arthur taught me several skills for which I remain in his debt. He was unstinting in his help, and I learned from him the essentials of library science as well as how to write English reference letters and essays and how to locate scientific and technical materials in the Library.

Through my work at the library, I had access to a great deal of scientific journals, and books. I soon noticed that a large number of Chinese scientists were engaged in research in nuclear physics, radioactive isotopes, and similar topics. I kept track of all such publications and by 1963, had filled approximately 2,000 index cards with titles of 80 books related to nuclear science. I then predicted China would soon have nuclear weapons capability, and was proven correct when in October of 1964 China tested a nuclear weapon. The accuracy of my prediction prompted interviews from the press and requests from journals for an assessment of nuclear science in China. I had begun to establish my reputation as an Asian science specialist at the Library of Congress.

In 1966, I published my first article in an academic journal, edited with the help of Arthur Renstrom. This paper also concerned nuclear science in China and was published two years after China tested its first atomic bomb. This article came to the attention of a staff assistant to Senator Henry Jackson of Washington. He was the Chairman of the Joint Committee on Atomic Energy of the U.S. Congress. At the request of Senator Jackson I proposed a briefing paper on how a poverty-stricken nation such as China could manufacture a nuclear weapon.

My career also broadened in other ways during my years in the Science and Technology Division. In 1961, I attended my first conference as a specialist on Chinese science. Held in New York, “Science in Communist China” was co-sponsored by the National Science Foundation and the American Association for the Advancement of Science. I was invited as a participant at the
conference because of my position at the Library. There I met Professor John M. H. Lindbeck, the one of the planners of the conference and director of East Asian Studies at Columbia University. Professor Lindbeck, along with Professor John King Fairbank, had worked tirelessly to promote East Asian Studies in the United States. Attending the conference were also a number of top American scientists who read translated Chinese papers and assessed the progress of Chinese scientists. A book, Science in Communist China, came out of this conference. Through participation in this event, I began to emerge as a junior member of the China-watching community.

After the conference, I often went to New York to have discussions with Professor Lindbeck concerning the establishment of a systematic review of Chinese science. I worked with his graduate student at Columbia University. I also met Professor A. Doak Barnett, an expert on contemporary China and U.S.-China relations during this period at Columbia.

In 1966, Professor Lindbeck received funding from the Ford Foundation to set up an organization for scholarly contact with China—The Committee for Scholarly Communication with Mainland China. It was originally a small organization with one full-time staff member, a small office, and a conference room. The organization coordinated visits from recent visitors to China who gave reports on their experiences. As the U.S. and China did not have diplomatic relations at the time, American representatives could not go and our information was of necessity second-hand.

The year 1966 saw another milestone: the founding of the National Committee on U.S.-China relations. This organization, whose formation had been urged by China-watchers, also promoted scholarly communication with the mainland. I, too, agreed that we should have a National Committee to establish a dialogue with the mainland and promote better understanding between the United States and China. Because of my participation in China-related activities and my position at the Library, I was invited to attend the two-day founding meeting in Washington, D.C. More than 100 people attended, including Senator George McGovern and Texas Senator John Towers, conservative and a friend of Taiwan. The National Committee played a key role during the period of ping-pong diplomacy between the U.S. and China in 1971. The Library of Congress of course, approved my participation in all of these activities.
The years from 1960 to 1966 were busy ones for me. I worked to build up the library collection and make personal contacts with the Chinese science community. In addition to my regular duties at the Library of Congress, I continued to work on my Ph.D. I fulfilled all the course requirements in 1965 and prepared for my last hurdle, the candidacy examinations. Despite suffering from acute anxiety, I passed this hurdle in 1966. When in that same year, the position of the assistant head of the Chinese and Korean section in the Orientalia division was offered to me, I was proud to accept it. (The Orientalia division included five sections: Chinese and Korean, Japanese, Near East, Hebraic, and Southern Asia.)

I could not believe my good fortune in rising to this level. I had the rare opportunity of being in charge of the Chinese collection at the Library of Congress, a center for research and Sinology. I was overwhelmed by the huge collection of books that it boasted. The section had its beginnings in the Division of Chinese Literature, established in 1928 by Dr. Arthur W. Hummel, an eminent Sinologist. Hummel had built up the foundation of the Chinese collection in the Library of Congress. A Christian missionary who had served in China, Hummel promoted China studies in the United States and made the Library of Congress an important center for Chinese studies. The collection boasted nearly 400,000 volumes including 2,000 rare books dating from before the Qing Dynasty (1644-1911), 16,000 reels of microfilm, and 12,000 periodicals.

In my new position, I was very fortunate to work with Dr. K.T. Wu, chief of the Chinese and Korean section. Before coming to the Library of Congress, Dr. Wu had previously held positions in China at Jinling College Library in Nanjing and the National Library of Peking. He then received his M.A. and Ph.D. degrees in Library Science in the United States—perhaps the first Chinese to do so. He was one of the most prominent librarian/scholars in the United States as well as in China, an exemplary scholar who was extremely knowledgeable about Chinese publications. In fact, he was concerned only with scholarship and found his curator duties burdensome. He was at the Library from the early 1940s until 1975.

I consider Dr. Wu, along with Arthur Renstrom, as my mentors at the Library. Whereas Arthur Renstrom taught me how to be a librarian, from K.T. Wu I learned a great deal about Sinology in general and the Chinese section of the Library in particular as well
as how to authenticate rare books and write scholarly reports. I owe a great debt to them both as they taught me how to be a professional librarian and scholar.

The Golden Years

One of the happiest moments in my life was when I received my Ph.D. degree from Georgetown in 1969. Even though I am not the most outstanding student, I worked very hard to achieve this goal. Although I received offers for full-time teaching jobs at Georgetown and other universities, I decided to remain at the Library of Congress, although I did begin teaching at Georgetown part-time.

I was very lucky in having two jobs that I thoroughly enjoyed. As a curator at the best China collection outside of China, a center for doing research on China that attracted researchers from around the world, I got to know most of the leading China scholars, and enjoyed meeting senior and junior faculty members at various universities. They in turn helped me to develop a better Chinese section for the Library. For example, John Fairbank frequently contacted me to determine what was available on various topics at the Library of Congress. On the other hand, I considered myself very fortunate to teach at Georgetown, a dream come true for me. Through my junior faculty position, I also met many people in the Washington, D.C. area.

In 1969, I taught a summer school course—my first class at Georgetown University. The National Defense Education Act had made award grants available for high school teachers to get master’s degrees in world history; an additional grant was given to the Georgetown department of history for a summer workshop for teachers. I taught Chinese history for this program—many students took it because they were required to take at least six credits of non-Western history. For my first teaching experience, then, I found myself facing a room of 120 teachers from all over the United States, many of whom were taking a class related to Asia for the first time in their life. After my initial trepidation, I began to enjoy myself.

When students came to me with questions on the sources available for their term papers, I gave everyone a copy of a bibliography that I had compiled of books on China in English, encouraging them to look for these. By the end of the summer I
was surprised (and pleased) to find that many of the students had written letters to the administration praising my enthusiasm and effort. I was invited to teach for a second year. My Georgetown teaching career thus began in this way, and I am still teaching Chinese history part-time at Georgetown.

I like teaching and interacting with students very much. I was also able to establish a good relationship with the academic vice-president of Georgetown as well as the President of the University, who was very helpful to me. However, after several senior professors retired, and after Father Sebes died in Rome in 1990, I reduced my teaching load at Georgetown. In 1991, the President of Georgetown University Father O'Donovan awarded me a medal in appreciation of my teaching efforts at Georgetown.

In the meantime, with the unleashing of the 1966-1976 Cultural Revolution in China, it appeared that my dreams of building up an even stronger contemporary studies Chinese section at the Library of Congress would be dashed. I watched with dismay as Mao Zedong's attempt to destroy all old traditions, culture and value brought publishing in China almost to a standstill. The Library had once received thousands of publications, but from 1965-1972 this slowed to about two hundred a year. For example, although we still regularly received scientific periodicals, only a handful of social science and humanities periodicals made it through.

Not all was lost, however. At this time, Taiwan was still producing a large number of books. Robert Irick, a Harvard Ph.D. and specialist in late Qing history, went to Taiwan to evaluate materials and helped me obtain books from the island. A personal friend of mine, Irick also became a friend of the Library of Congress China collection. He located Qing Dynasty gazetteers and local histories in various libraries in Taiwan, then reprinted and sold them to American East Asian collections. New libraries in particular were eager to buy such books as they were reprints and therefore much cheaper. Irick's reprinting business eventually became a Chinese materials center, and the major book supplier to the United States and other countries. Irick stayed in Taiwan much of his life, becoming a wealthy publisher in Taiwan and only retiring in the 1990s. He was a kind man who helped friends when in trouble and went out of his way to help people. He hosted banquets for American scholars and others visiting Taiwan, and had good connections with Taiwan government officials. He was purely a scholar and did not involve himself much in politics. Irick was one of
the most important persons in my search to obtain Chinese materials for the collection.

I also worked to get materials from the universities in Hong Kong. But Hong Kong, a commercial and financial center, does not boast as many scholars as Taiwan or Japan. I eventually concentrated on obtaining from Hong Kong publications that were circulated internally in the PRC—at the time important reference works for American scholars of China. These publications were of three types—those distributed in China, those internally circulated and internal reference works for high officials. Specialized book dealers in Hong Kong helped to bring the books out of the mainland. From 1950 to 1966, a man named Hsu served as the Library of Congress Chinese section book dealer in Hong Kong. He understood our requirements well and was very systematic in his work, aiding us in obtaining materials on the Cultural Revolution. These internal publications were unavailable anywhere else outside of the PRC and became an invaluable resource for China scholars.

We also collected Red Guard publications, photographs, publications, photographs, records, cartoons, and other memorabilia. In addition, the State Department and the CIA were collecting Chinese newspapers obtained through special channels. After the intelligence community was finished with them, they were transferred to the Library of Congress. Thus local newspapers and periodicals, numbering in the thousands, are now at the Library of Congress and are very important resources for studies in contemporary China. These resources greatly supplemented our acquisitions through regular channels. Eventually, the Library of Congress became the best collection in the United States for the study of Chinese communism.

In 1960, the Ford Foundation gave a substantial grant to the Association of Research Libraries, an organization coordinating the activities of top university libraries. A coordination group for Chinese materials existed but supplies were drying up. I helped John Lindbeck and others to set up a center to reprint microfilm and other research materials, which was established in 1968 and called the Center for Chinese Research Materials (CCRM). I developed a good relationship with the director, P.K. Yu, from Hong Kong, and Philip McNiff, a librarian at Harvard University who later became the director of Boston Public library and was the most influential librarian in American academia. McNiff later became the chairman
of CCRM and a key promoter of China studies in the United States. After P.K. Yu retired, Dr. Pingfeng Chi became the director.

The year 1969 represented an important milestone for the collection. In 1869, the Manchu emperor of China, Tong-zhi, donated 933 volumes of traditional Chinese books so that Americans could learn about Chinese language, history, medicine, and culture. This was the first shipment of books from China to the Library of Congress, and represented the beginning of the Chinese collection in the Library. Therefore, 1969 was the 100th anniversary of the beginning of the Chinese collection at the Library of Congress.

When I learned of this important milestone, I proposed a celebration in honor of the anniversary to the Librarian of Congress, Dr. Mumford. He approved my proposal and held a one-day luncheon and celebration to mark the centennial of the Chinese collection. Many important officials and scholars from both the US and China attended the event. The guests included U.S. Senator Hiram Fong of Hawaii, the first Asian-American elected as a U.S. senator, Marshall Green, Assistant Secretary of State for East Asia, and Ambassador Chow Shu-kai, the Chinese ambassador to the U.S.

The event was a great success. U.S.I.A. taped the proceedings, which were also covered by both Chinese and American media. Parallel celebrations including an exhibition of classical Chinese books in honor of the anniversary also were held at the National Central Library in Taipei. The Librarian of Congress and the senior management at the Library were pleased with the celebration, and I was proud to have organized the first ever event celebrating the Chinese Collection.
The Librarian of Congress during this period supported the development of the Chinese collection. L. Quincy Mumford, a very well respected librarian-scholar in the United States, had been appointed by Dwight Eisenhower in 1954 to be the eleventh Librarian of Congress. He had the vision to expand public and technical services and wanted the Library to be a leader in cataloguing and acquisition. He also reorganized the library and approved technical advances such as the automation of cataloguing. At the beginning of Mumford’s 21-year tenure as the Librarian of Congress, the library had 1,200 employees; by the time he left in 1975, it boasted 5,000. Under his direction, more than 12 field offices of the Library of Congress were opened in Asia, Europe, Africa and other parts of the world to acquire material directly from these areas. Mumford himself considered these field offices to be very important and the program was very successful, gaining the support of the U.S. Congress.

In addition to support from the Librarian, this period also witnessed unprecedented solidarity in the East Asian librarian community. From the 1960s to the 1980s, four or five leaders in the East Asian Studies community particularly contributed to this cooperative spirit. Dr. Arthur Hummel, the first Chief of the Orientalia division and founder of the Association of Asian Studies, Dr. Chiu Kai-ming and later Eugene Wu of Harvard Yenching Library, T.H. Tsien of Chicago University’s Far Eastern Library, Dr. Warren Tsuneishi, Chief of the Orientalia division from 1966-1992, Dr. Edwin G. Beal Jr., Chinese section chief from 1955-1966, and Dr. K. T. Wu, chief of the Chinese and Korean section from 1966-1975. All of these men contributed to the development of East Asian libraries in the U.S., and all were great mentors who helped encourage younger librarians in the field. Although this first generation of leaders have all retired, and some of them have left us, the younger generation should continue to build this strong community essential for promotion of East Asian Studies in the U.S.

Furthermore, during the same period, both the processing and reference directors were also dedicated, responsible and fair-minded professionals. I was very fortunate to have such top professional leadership and backing for the Chinese section at the Library of Congress.

The years 1967 to 1977 could be called the “Golden Years” of the Orientalia division of the library. It became the center for such studies in the United States. Under the strong leadership of Dr.
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Warren Tsuneishi, the chief of the Orientalia division from 1966 to 1992, the collections were expanded. Tsuneishi devoted his life to developing the Orientalia collections at the library. Under Dr. Tsuneishi, section heads met once a week to report business concerns, developments, problems, and other details. Difficulties were thus resolved by the heads of the different sections in open-minded discussion. Every section head worked to systematically strengthen service and forge good scholarly connections.

Establishing a Field Office in Hong Kong

In 1966, at the beginning of the Cultural Revolution in China, I had a meeting with the Processing Department director, Mr. William J. Welsh, a very dynamic person and a personal friend. He wanted to establish a field office to acquire Chinese publications and asked me for recommendations for its ideal location. I felt Hong Kong to be the logical choice—mainland China there. He agreed and offered me a job pending budget approval. However, the next year when he attended the Association for Asian Studies meeting, his announcement generated controversy. Japan scholars felt the office should be located in Tokyo; there were also other suggestions. In any event, the point became moot as the Cultural Revolution intensified in China and the supply of available books from the mainland slowed to a trickle. It was decided that it was not worthwhile to establish a center in Hong Kong. In 1968, a center for Japanese acquisitions was established in Tokyo, with Hisao Matsumoto, a reference librarian in the Japanese section, assuming the Directorship of the new office.

Although this Hong Kong position did not pan out, in 1970 I had another golden opportunity fall into my lap when I was offered a position at the Chinese University of Hong Kong. Hong Kong University had originally been the only University in the British territory. Founded by the British, by the early 1960s many of the local Chinese were dissatisfied, feeling that it was training English gentlemen. They wanted a university that would use Chinese as the language of instruction and was in general more suited to local needs. A team of educators from the United States and a commission headed by two British noblemen went to Hong Kong to make an assessment. Their reports were positive, and the Chinese University of Hong Kong was established in 1963.

Dr. Li Choh-ming, a well-known economics professor, was chosen as the first vice-chancellor. (In colonial Hong Kong, the
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governor was the chancellor and the university president the vice-chancellor.) Li came to the vice-chancellorship from a distinguished career. He had been a senior administrator in the Chinese Nationalist government from 1945-1948 and a professor at Nankai and Lingnan Universities. He then came to the United States and was at one time the head of the Chinese Studies Center at the University of California, Berkeley.

In 1963, a planning office was established to build a large campus for the new university. Vice-chancellor Li recruited dynamic, top professors not only from Hong Kong but also from the United States and Europe. They were a lively, open group. It was Li’s goal to transplant the American university system to Hong Kong. Furthermore, convinced that a university is only as good as its library, he set out to build a good library system.

Li wanted to know if I would be interested in taking charge of this process. I originally turned down the request for personal reasons, but Li was a persistent man and refused to take no for an answer. On a trip to the U.S. in 1970, we met and he insisted that I reconsider and go to Hong Kong, even for only two or three years. Ultimately, I was persuaded, and asked the Library of Congress for a sabbatical. The Librarian of Congress granted my request, and I accepted the position as library head, one of the top officials at the university. This experience greatly furthered my skills in collection administration and advanced my development as a librarian. Mumford’s generosity in allowing me to take an exceptional two-year sabbatical shows his commitment to my professional development and the future of the Chinese collection.

In 1970, my wife and young son and I thus left for Hong Kong. I began by working with a leading architect to build the new library building. The university consisted of three colleges: New Asia College, a school for history and liberal arts, supported by funds from Taiwan; Chung Chi College, supported by American Christian missionaries; and United College, supported by local Hong Kong gentry. It was my job to centralize management of the libraries and begin cataloguing for these three disparate “constituent colleges.” I began the process but eventually decided to leave in 1972 and return to the Library of Congress, although I enjoyed very much the two years that I spent at the Chinese University of Hong Kong. During my time in Hong Kong, I developed the collection from 100,000 to 300,000 volumes. This experience managing a university library collection was
instrumental in my development as a librarian and provided me with many opportunities. Indeed, through this position I was able to meet British scholars, educators, businesspeople, and others in Hong Kong, including the governor. It was also at this time that a wealthy Hong Kong textile industry leader, Mr. P. Y. Tang, donated $3 million dollars to build the central library of the Chinese University of Hong Kong. Unfortunately, Mr. Tang passed away in 1971 and was unable to see the opening of his library.

It was during my stay in Hong Kong that American foreign policy toward China began to change. In 1971, I vividly recall hearing a radio announcement that U.S. Secretary of State Henry Kissinger had made a secret visit to China, reestablishing dialogue with the Chinese Communist State and beginning preparations for the visit of President Richard Nixon. This thaw in relations also opened a window of opportunity for me to go to China. After Kissinger’s trip, an editor of the Xinhua News Agency in Hong Kong invited me to dinner. To my surprise, he asked me if I was interested in visiting China and informed that I could do so at any time during my stay in Hong Kong! I told him that I would like to go very much, but first I needed clearance from the U.S. government because as a federal employee I could not otherwise have contact with mainland China, a communist state.

I cabled the news of my invitation to L. Quincy Mumford’s office in Washington, DC. The Librarian of Congress had no objections to my trip and conveyed the message to the State Department who forwarded it on to the White House. The White House supported my trip if Kissinger approved. I hoped to receive approval during my “home leave” to the United States in late 1971. However, approval from Kissinger was not immediately forthcoming—it is likely that the Secretary of State wanted the president’s trip to take place first.

In February of 1972, President Nixon made his historic trip. Giving up hope that I would receive immediate permission to leave for mainland China, I decided to return to Hong Kong. While waiting in the airport in Honolulu, I received a telephone call from a State Department official in Hawaii with the news that my trip finally had been approved. In Hong Kong, U.S. Consul General David Osborne and Deputy Consul General David Dean briefed me about my mission to China. On June 1 1972, I finally left for my own 18-day “secret” trip to the mainland.
My First Trip to the PRC

I was told not to publicize my visit and did not inform anyone, even the vice chancellor of the university. My mission was to negotiate the first book exchange between the Library of Congress and Beijing National Library and to request the beginning of cultural exchanges in the humanities and social sciences between the two nations. Included was an invitation for a cultural delegation to come to the United States in early 1973. In the past, there had been scientific and medical delegations, but the Cultural Revolution still raged in China at this time, and anything even remotely related to the political could be very problematic.

On the appointed day of departure, I waited in a Hong Kong hotel for a representative of the Chinese Travel Service. To my surprise, a driver picked me up and took me to the Lowu bridge, the border between Hong Kong and mainland China. My luggage was taken for me to the Chinese side and I was invited to lunch as we waited for a train. During the meal, I was introduced to Cai Daren from the Foreign Ministry United Front Department and Yang Guowei of the China Travel Service. These two men were to accompany me for my entire trip.

At that time, foreign visitors to China were very rare. In Shenzhen, the vice-chairman of the Shenzhen revolutionary committee himself met us and carried my luggage to the train. I never expected that such a high-ranking cadre would be there to greet me. This was my first indication that I would be treated as an important U.S. official on this trip.

Our first stop was Guangzhou where I stayed at the Eastern Hotel. This was the best hotel in town, nevertheless, its lack of air-conditioning made the room stifling hot. I was one of only four guests in the hotel—others included the writer Han Shu-yin and a Professor Cohen of Harvard University. During the two days stay in Guangzhou, I visited the Sun Yat-sen University and its library, South China Medical College, and the Xinhua bookstore in Guangzhou where I purchased some Chinese books.

Two days later, we went to Baiyun airport to fly to Hangzhou. To my surprise, Cai, Yang and I were the only passengers on a plane that seated thirty. We stopped first at Changsha, and then flew to Hangzhou where two more escorts were waiting at the airport. The Hangzhou Hotel where I stayed, with a beautiful view of
the West Lake, was the headquarters of the PLA in Hangzhou and was the same hotel at which President Nixon and his delegation stayed. I stayed in Hangzhou for two days, and on the third day took a train to Shanghai.

In Shanghai, I visited Fudan University and its library, where I met several well-known university professors including Professor Tan Jia-zhen, the vice chairman of the university revolutionary committee and a famous genetic science expert, and Professor Liu Da-jie, the famous professor of Chinese literature. We had a very pleasant visit and discussed U.S.-China library exchanges. I also visited Shanghai’s children’s palace, where I met dozens of happy children who welcomed me to the children’s palace with a musical performance using classical Chinese instruments. I also visited the Shanghai Xinhua bookstore and bought several books. I was unable to visit the Shanghai public library as it was closed at the time. Three days later, we flew to Beijing.

My final destination was Beijing. I was looking forward to my first visit in 23 years. When I arrived at the airport, I was full of mixed emotions and was unsure of what to expect from the city that I had left more than 20 years before. I had not had any news of my family, and so was hoping for the best. I knew my father had passed away in 1960, but I had had no news of my mother and hoped she was still alive. Arriving at the airport, I immediately recognized my sister and two older brothers. My sister was a high school teacher, one of my brothers was an artist, and my other brother was a photographer. My sister sadly informed me that our mother had passed away in 1966. I did not know how to react to this news and held back my tears with great difficulty.

That night, my brother and sister told me how my mother had died. Although my family had been protected by Prime Minister Zhou En-lai during the political campaigns of the 1950s and early 1960s, this did not turn out to be the case during the Cultural Revolution, although to this day we are not sure why. On August 22, 1966, a mob of Red Guard youth stormed into the house and burst into my mother’s room. She was 80 years old, extremely frail and partially paralyzed, but the Red Guards showed no mercy as they dragged her down from her bed and beat her to death. They then locked her in the room and declared that the room was sealed and no one was allowed to enter. Before they left, they locked my brother in another room. He spent a restless night, not even sure if my mother was dead or alive.
On that same day, my cousin had just returned from France where he had studied agriculture during WWII. He visited our home out of concern for our family, and was dragged into the courtyard and beaten to death by the same red guards who had killed my mother.

The next day, the Red Guards returned and hung my brother upside down from a tree and beat him, trying to get him to confess to the ridiculous charge that he was an American spy (apparently because he was a graduate of Los Angeles City College). This treatment continued for two days. If my brother had not been able to persuade the 12-year-old boy watching him to give him a glass of water, he surely would have died. My sister had already been dragged away by the Red Guards and sent to northern Hebei province, about 400 miles away. The barbarism of the Red Guards truly knew no bounds.

A former family servant, Ms. Zhai, hearing of the disaster that had befallen my family, came to our home and pleaded with the Red Guards to release my brother and my mother, insisting that they were good people. Ms. Zhai had worked for my mother for over 20 years. Although they did not comply, she was allowed to go into the room where my mother lay and discovered that she was dead. She called both the hospital and the police for help, but in the middle of the chaos of the Cultural Revolution, no one dared lift a finger to help. Nevertheless, it was the middle of the summer and the body had to be removed from the house. She spotted a truck coming to the alley near our house, and stopped it. The truck was full of other corpses, and she persuaded the driver to take the body away. My family was never able to learn what became of it. Nor could we find out why the Red Guards had killed my mother, a traditional Chinese women who had never been involved in politics and who had concentrated on raising her family.

Learning such news made me heartsick. Before leaving home, our family had been very close. I grew up with my mother and father, and we had stayed together through many difficult times including the Sino-Japanese war. I could not believe that this tragedy had befallen us. I could not help but reflect on the shocking difference between the way my two parents died and their funeral arrangements. The mayor of Beijing, Peng Zhen, had officiated at my father’s funeral, and Premier Zhou En-lai himself had honored my mother’s request that Buddhist monks come and pray for my
father for three days. After an elaborate funeral service, my father was buried in Babbaoshan Revolutionary Cemetery, normally the burial place of only high-ranking Communist officials. Thus my father, who had been the governor of Hebei province and the commander of the military garrison in Beijing and Tianjin before the revolution, still had enough status in 1960 to receive a funeral with honors. My mother’s death seems all the more terrible in contrast. On another visit to Beijing in 1979, my siblings and I bought a plot in a cemetery in Beijing and placed a marble tombstone there in her memory. We cremated some of her personal belongings and buried them in the plot.

U.S.-China Library Exchange Begins

Even though I was shocked after hearing such horrible news, I had to continue to pursue my mission in Beijing; the work that I had come to China to do continued apace. I negotiated with Beijing Library and for five days was accompanied by the top man in Chinese Culture, Wang Yeqiu, a former student of Lu Xun. Wang arranged for me to meet the intellectual Guo Moro, treated me to Beijing’s finest cuisine, and introduced me to many prominent people, including the president of Beijing University. I was successful in my efforts as I was able to set up a library exchange with the National Library of Beijing. In addition, Wang told me that he would begin work on the request of sending a cultural delegation. Finally, he asked me if I would like to meet either Mao Zedong or his wife Jiang Qing, but I politely refused, feeling that this would be too high-profile.

My mission to China accomplished, I returned to Hong Kong. At this point, my university still had not realized that I had gone. I immediately went to inform the vice chancellor.

Although after the trip I was still upset about the tragic death of my mother, I felt that a better relationship between the United States and China would soon develop. I was the first individual from an American library to visit China since the 1949 revolution. Upon my return to the United States, I was invited by many agencies, including the State Department and the USDA, to discuss my trip. The American Publishing Association wondered how to sell books to China and individual publishers such as Random House were very interested in meeting me.
The exchange program that I set up on this initial visit yielded results for the Library almost immediately, and the first shipment of exchange books from China included a copy of 200 of the extant chapters of the Yongle Encyclopedia, an extremely important acquisition. This was the beginning of a fruitful exchange between the Library of Congress and the National Library of Beijing.

When I came back to the United States from Hong Kong, not only did the library decide to promote me, the American academic community also contacted me for advice regarding the study of Communist China. For example, in 1973, I was one of only two librarians invited to attend a 2-day conference in the Barclay Hotel in New York. On the agenda was a discussion of funding priorities for Chinese studies in the United States for the next 10 years. I thus helped to make decisions that affected the development of China studies in America.

In September 1973, the first Chinese library delegation arrived in the United States, hosted by the Committee for Scholarly Communication with the PRC. Although the Committee was experienced in hosting science delegations, this was their first nonscientific one. It consisted of 12 of the top librarians in China. I helped plan their itinerary and other activities connected with their trip. These, the first established contacts with the Chinese library community, helped establish a fruitful relationship between Chinese and American libraries.

I had become assistant head of the Chinese and Korean section at the Library of Congress in 1966. I enjoyed my work in the section. It was a pleasure to work under the guidance of Dr. K.T. Wu, and so I was disappointed to learn in 1975 that he had decided to retire after 35 years at the Library of Congress. Dr. Wu's departure meant the loss of a good mentor, advisor and supervisor. After Dr. Wu's retirement in June, I served as acting head of the section, and became the permanent head of the Chinese and Korean Section in September 1975.

I was happy with my new position. The Korean unit fell under the purview of the Chinese and Korean Section, and so in my new role as head of the Chinese and Korean Section I was able to use both my Chinese and Korean language skills and I was able to develop my knowledge about China and Korea. Three exceptional colleagues in the Korean unit supported my work developing the
Korean collection: Dr. K.P. Yang was the Korean area specialist at the library, Dr. Thomas Kang, who had obtained his Ph.D. from American University, and lastly a technician who diligently supported Korean unit’s staff and patrons. These three men oversaw a collection of approximately 30,000 volumes of Korean language works. Although the size of the collection meant the Korean collection was not large enough to be a separate section, the Korean unit staff was dedicated to their work and the continued expansion of the Korean and Chinese collections.

I was also fortunate that the Chinese collection staff consisted of individuals who were devoted to the continued improvement of the collection and the Library’s mission. All of them were dedicated employees. When they were offered a position in the Chinese section, every staff member was given a description of their duties. Every Chinese section staff member’s duties included:
1. Service to the public, academic, and government communities
2. Bibliographic services, including publishing a bibliography at least every three or four years
3. Service to readers, and for managers
4. Managing and maintaining the collection. Virtually all of the Chinese section staff was meticulous in carrying out these duties. Furthermore, most of the staff had obtained their university degrees in China and were well equipped to administer the development of a Chinese language collection. Four of the staff in particular contributed a great deal to the development of the Chinese section.

Patrick Tseng had worked at the Library of Congress since the earlier 1950s. Prior to joining the Library staff, he had attended Jiaotong University, where he studied transportation. After graduating, he went to Chongqing, the wartime capital of Chiang Kai-shek’s Nationalist government, to work as a mid-level government official. However, he relocated to Taiwan during the civil war and, in 1950, came to the United States to learn about ocean shipping. He originally intended to return to Taiwan after his training to apply his newfound knowledge to Taiwanese maritime commerce, but the outbreak of the Korean War prevented his return and so he continued his studies in the United States. He went on to study library sciences at the Catholic University of America. He joined the Library of Congress as a project assistant and rose to become a senior level employee. He had an exceptional mastery of classical and traditional Chinese and an extensive knowledge of Chinese classical literature. Because of this background, he was extremely good at selecting new books for the section, and was instrumental in the development of the ordering...
process for Chinese volumes. In 2009, Mr. Tseng passed away in Oregon at the age of 100.

H.C. Huang was another member of the staff whose expertise contributed to the development of the section. Mr. Huang was the son of a Guangdong businessman and a graduate of Jinling University, an American missionary school in Nanjing. After graduating, Huang worked for the Nationalist Chinese Foreign Ministry in Chongqing during World War II. Huang was able to use his photographic memory to memorize the GMD secret telegraph code. His knowledge of the telegraph code and his ability to type over 80 words per minute made him an excellent resource to the Foreign Ministry; he was able immediately to decode secret messages without referring to the translation code. His talent and memory brought him to the attention of his superiors, and he was selected to serve at the Chinese embassy in Washington, DC as the special secretary to the ambassador. After he retired from the Foreign Ministry, he came to the Library of Congress, where he was responsible for the Chinese and Korean Section’s serial collection. During his employment at the Library, he compiled three separate bibliographies on the Library’s Chinese periodicals. These bibliographies became important reference tools for using the Library’s periodical collection.

Mr. Huang was not the only former employee of the Chinese embassy to join the Library of Congress. From the 1950s, Mr. Hseo-Chin Jen had worked as a First Secretary at the embassy in Washington, DC. When he retired, Dr. Wu recruited him to join the Chinese and Korean Section. At the Library, Jen supervised the book stacks and was responsible for their orderly maintenance. He was one of the most responsible and thorough technicians I have ever worked with, and played a significant part in ensuring the impeccable order of the collection, which in 1975 had approximately 450,000 volumes.

In 1970, while still assistant head of the Section, I recruited an excellent reference librarian, Robert Dunn. A Chinese American from Boston, he had left a Harvard Ph.D. program with John King Fairbank to return to China when the Sino-Japanese War broke out. In China, Dunn worked as an English translator in Chongqing, where he was selected by Chiang Kai-shek to serve as his English secretary. Dunn wrote much of Chiang’s English correspondence during World War II. Dunn’s involvement with Chiang led to Dunn’s attendance at the 1945 founding of the United Nations in San
Francisco. The Chinese and Korean Section was very lucky to have a man like Dunn working in the Section. Not only did Dunn have an excellent command of English, but he also spoke Chinese well because of his time in Chongqing and he occasionally helped me with my research. He spent much of his time on reference services and Congressional requests, and was one of the most helpful reference librarians. Dozens of scholars who came to the Library to do research were grateful to him and remembered him well. He stayed at the Library for 23 years, retiring in his seventies due to family obligations.

I was fortunate to have such dedicated and knowledgeable staff working to maintain and expand the Section. The Section staff continued to expand the Section’s Chinese collection. Beginning in the early 1950’s acquisitions had been focused on modern Chinese politics, history, economics, and armed forces. However, between 1975 and 1976, the CIA and State Department transferred approximately 100,000 volumes of recently declassified materials to the Section. These formerly classified materials, which included Chinese newspapers and recently published books, were an excellent resource on contemporary China. After I became head in 1975, I also encouraged the staff to continue to expand the Section’s Chinese science and technology collection. The Library’s Chinese science and technology collection remained a unique and useful resource for scholars. I was personally able to contribute to the Section’s expansion with regular trips to China. Beginning in 1975, I traveled to China twice a year to make acquisitions for the collection and to cement and expand the Section’s relations with libraries in China and Hong Kong.

The work of the section was supported through the dedication of two exceptional bibliographic assistants. In 1975, one of her co-workers in the photo-duplication service recommended Irene Bailey to me. An African American, she had joined the Library at eighteen, shortly after graduating high school and I hired her as the bibliographic assistant and section secretary for the Chinese and Korean Section. She was an efficient and pleasant employee, and she tirelessly helped all twelve members of the Chinese and Korean Section staff. She was responsible for maintaining office supplies, recording staff attendance at meetings, typing correspondence, making staff travel arrangements, and dealing with patrons. I enjoyed working with her, and we became friends. Later, when I temporarily left the Section to work for the Chinese University in Hong Kong, I recommended her for a promotion to
Division secretary, and she continued to work for the Library until 2005.

In 1983, I recruited another bibliographic assistant. Lulie Maeshiro was a Caucasian American married to a Japanese American. They met while he was stationed in Norfolk, Virginia with the Army. In 1970, they married and moved to Honolulu, Hawaii. While living in Hawaii, Maeshiro obtained her Bachelor’s and Master’s degrees in Chinese art history from the University of Hawaii at Manoa. In 1980, after Maeshiro and her husband relocated to Washington, DC, she began working at the Chinese and Korean Section as a bibliographic and administrative assistant. While she was working with the Section, I was able to arrange an opportunity for Lulie to teach a class on Chinese art history at Georgetown University’s school of Continuing Education.

During my time at the Library, I was also able to contribute to the professional development of young American students who majored in Chinese Studies majors. In 1968, I was able to provide two students with opportunities at the Library. One of these students, Patricia Jones, had recently received an MA in Chinese Studies from Harvard University. When she inquired about job openings in the Chinese section in the summer of 1968, we did not have any openings. I thought we could use a young person with her skill set, however, and after consulting with Dr. Tsumeishi was able to offer her a junior level contract position. Patricia was a hardworking and intelligent employee, and contributed to the development of the Chinese collection. After a few years, she transferred to CRS, where she used her Chinese and English language skills to research and compile reports. Patricia went on to have a very successful career and is now a high-level program manager with the National Science Foundation.

In December of 1968, I met Michael Welch, a recent MA graduate from the University of Minnesota. While he had majored in Chinese, he had also completed research on Tibet and Mongolia. Michael was therefore able to help us manage our Tibetan and Mongolian volumes. After working at the Chinese Section for two years, he went on to complete his Ph.D. at the University of Minnesota.
In addition to the changes in the Chinese section, in the early 1970s, the Library of Congress itself experienced another major reorganization. President Gerald Ford appointed a new Librarian of Congress, Daniel J. Boorstin, in 1975. A former director of the National Museum of American history, Boorstin emphasized American studies. Boorstin reorganized the Library’s regional divisions, and the Orientalia Division became the Asian Division. Boorstin also created a new position—Director of Area Studies—which he promoted Dr. Tsuneishi to fill. After his promotion a new division chief, Dr. Thomas Rimer, a former professor of Japanese Literature at Washington University of St. Louis, came in. Although the name of the division had changed, this had little effect on my work, and I continued to build up the collection and concentrated on making it a place where China-scholars could do research.

In 1975, Dr. James Hu, a professor at St. Joseph’s College in Pennsylvania, contacted me. He was interested in writing a Ph.D. dissertation—and already had a book contract—about the development of the Library of Congress China collection. He worked with me for almost two years, producing an important book, entitled “The Development of the Chinese Collection in the Library of Congress”, published by the Westview Press in 1979. This book became a classic on the history of the Chinese collection in the Library of Congress. Dr. Hu Later returned to Taiwan to become the head of the Library Science Department at the Taiwan University.

By 1975, I had already built up a great deal of support from the academic community, many of whom were leading professors in the China studies field. I worked closely with university scholars from the U.S., Taiwan, Hong Kong, and Europe. I was therefore able to gain insight from outside the Library on developing a better Chinese collection.

In 1978, I had an unexpected opportunity to contribute to a wonderful event at the Library of Congress. When Dr. Boorstin first came in as Librarian of Congress, he discussed the possibility of presenting an exhibit of some of the Chinese Art housed in the Library of Congress. When researching this idea with the Prints and Photographs Division head Alan Fern and Curator of Fine Prints Karen Bell, I learned about an extraordinary and obscure collection of fine art prints housed in their Division. The Library of Congress
My Library of Congress Years

had an excellent collection of fine prints from Russia, donated by a wealthy philanthropist. Among that collection was also a remarkable collection of fine prints by an unknown Russian artist depicting life in 19th Century China. From 1975-1976, I worked with the Ms. Bell to identify some of those prints. In 1978, I was able to help display about 40 of these prints in an exhibition entitled: China in the 19th Century by Unknown Russian Artist. The exhibit was a great success and I was proud to have helped introduce the public to this remarkable and hitherto undiscovered gem in the Library's collection.

U.S.-China Library Relations 1979-1989

From 1975 to 1985, I was able to strengthen the Chinese collection at the Library from 400,000+ volumes to 700,000 volumes. I believe that 1975 to 1985 were the most productive years for the development of the contemporary Chinese Collection under my guidance. However, I must acknowledge that that was only possible because I had the full support of the Library's top management, from the Librarian of Congress to my immediate supervisor, Dr. Tsuneishi. Others such as the director of the collections department and the director of the processing department were also very helpful. Finally, the Deputy Librarian of Congress, William J. Welsh, had a strong interest in China, liked the Chinese people, Chinese civilization and China as a whole, and gave me his wholehearted support. He urged me not to relax my efforts to improve the China collection. Welsh aided me in many concrete ways, allowing me to skip the bureaucratic process that must be overcome before going to China or undertaking other projects.

Between my first trip in 1972 and 1985, I visited China dozens of times. Most of the trips were on behalf of the Library of Congress; in all cases, I worked toward the goal of building a better relationship with academics, universities, Chinese leaders, and officials. At various
times, I met Chinese leaders, the Minister of Culture, and university presidents. I was fortunate in having access to the highest levels in Beijing, although I was always careful to use that access for the benefit of the Library of Congress.

In 1978, I took an official trip to both Taiwan and the PRC. In Taiwan, I accompanied Librarian Daniel Boorstin who had been invited to give a series of lectures in Taiwan on American History and Society and to introduce the Library of Congress to Taiwan and the scholarly community there. Boorstin gave talks at Academia Sinica and lectures at Taiwan University and other venues. In addition, we met with some political leaders in Taipei, and with the United States Ambassador to the Republic of China (Taiwan), Leonard Unger, and others of the American embassy.

After the completion of this official visit, I went to the PRC where I began the preliminary arrangements for the visit of the first American Library delegation to the PRC. At this time, despite the fact that I had made many visits to the mainland, Library of Congress officials had not yet gone. The problem was not on the Chinese side but the American as scholars and library professionals disagreed about whom to send. Somehow, I had gotten a reputation as a man who was trying to monopolize my connections with China to control these proceedings! My intentions were nothing of the sort.

While in China, a draft agreement of a library exchange between the United States and China was drawn up. Upon my return from China in 1978, I gave a report to the Deputy Librarian of Congress and received confirmation that a delegation would be allowed to go in 1979. It was at this time, however, that a major change in American foreign policy occurred. While in China, I had the distinct impression that something was going on; in January of 1979, diplomatic relations were reestablished between the PRC and the United States and relations with the Republic of China (Taiwan) terminated.

After the formal establishment of diplomatic relations with China in 1979, there was a celebratory reception at the Chinese embassy. To my surprise, I was asked by the Deputy Chief of Mission of the Chinese Embassy Mr. Han Xu to arrive early for the event. I then had the pleasure of meeting with Deng Xiaoping and the Vice Premier of Science and Technology, Fang Yi. During our short 10-minute meeting, Deng encouraged me to continue my
visits to China and even to increase their frequency. I told him about the Library of Congress delegation that we hoped to organize in the near future and he expressed approval.

The Chinese embassy later helped make it possible for a 12-member American Library delegation to go to China in December of 1979. This was the beginning of exchanges of library delegations. The first delegation signed an exchange agreement with Beijing Library directly, still in effect today. As part of the agreement, Beijing Library would give one of its copies of a newly published work to the Library of Congress. In return, the Library would send a complete set of all U.S. government publications to China. While in China, the library delegation also used the opportunity to talk about the American library system of management.

This agreement made a big difference to the China collection at the library. In 1981, the number of Chinese books coming into the library jumped from approximately 2,000 a year to almost 21,000. Through the exchange, from 1981-1987 the Library received approximately 15,000-17,000 volumes from China every year.

I was able to build up a network with libraries in the PRC and became acquainted with important members of the library community in China as well as others. I was thus able to strengthen the relationship between the Library of Congress and other government offices and libraries. As periodicals transferred from the State Department came here as well, contemporary studies of China became especially strong.

In 1979, after the United States government reestablished formal diplomatic relations with the PRC, as the head of the Chinese section at the Library of Congress, I endeavored to maintain a good relationship with both sides. Therefore, while I continued to keep up contacts with mainland China, I maintained friendly relations with Taiwan and continued to receive government and scholarly publications from there. I also visited Taiwan at least once a year for major conferences and other events. In addition, when senior visitors from Taiwan came to the United States, I helped them to get the resources they needed and to meet senior Library of Congress officials and others. (This was possible because the Library is not part of the executive branch, and employees are not required to follow the Taiwan Relations Act
strictly.) The build-up of the Chinese section therefore continued apace as both the PRC and the ROC sent us material.

Since 1949, the U.S. academic community has slowly changed from an anti-Communist attitude to a more accommodating, understanding position regarding Chinese communism. By the 1970s, the PRC had become the most important topic of study for China scholars and many of them wanted to improve relations between the U.S. and China. Study of and interest in Taiwan began to slowly decline, yet many relationships were still maintained between the United States and Taiwan. Academia Sinica in Taiwan maintained a good relationship with major universities in the United States, especially for Ming-Qing history. Many Americans still went to Taiwan to study Chinese. Others did scholarly research in the PRC or Taiwan. The Committee for Scholarly Exchanges with the PRC was the center for the exchanges of scholars. The State Department continued its language school in Taiwan.

At this time, dozens of young American China scholars were finishing their Ph.D.'s with topics concerning contemporary China. The Library of Congress became an important place to do research as it had the best resources on Communist China. Many people thus finished their research for their degrees at the Library.

My Second Sojourn in Hong Kong

In 1984, my career took another of its many turns. Early one morning, I got a surprise telephone call from Hong Kong—the new vice-chancellor of Chinese University of Hong Kong, Ma Lin, was calling to discuss the University Librarian position with him. The next week I went to Hong Kong and met with university officials. As the director of the library was leaving, they tried to persuade me to take the job as soon as possible. I returned to the U.S. and discussed the situation with Dr. Tsuneishi and the Librarian of Congress. They kindly allowed me to take a sabbatical; I went to Hong Kong for a year while my family remained behind in the United States.

Thus from December of 1984 to February 1986 I was again in Hong Kong. I believe that I enjoyed the experience more this second time that I was there. The working conditions were very pleasant. The university library collection had by then become mature and established, with a 1.2 million-volume collection. I
seriously considered staying in Hong Kong permanently and I was assured of tenure, but the Library of Congress—and my family—urged me to return to the United States. My son was in elementary school and for his education in particular my wife and I wanted to remain in the United States.

I have some significant memories from my second sojourn in Hong Kong. Governor Youde, a scholar of Chinese, invited me to the Governor’s mansion. I was also able to help the medical school establish a new medical library. In addition, in December of 1985, I sponsored a symposium on the Development of China Collections in Academic Libraries. Librarians from around the world were invited for a 2-day conference inside the University President’s Conference Hall. Conference participants stayed at the Hong Kong New World Hotel and all had a good time. December in Hong Kong is beautiful and the food and company were all excellent. It was a memorable conference and the only one that I hosted while in Hong Kong. It was really a rewarding year.

The Billington Years

Another Library Reorganization: 1987-Present

In 1987, there was a new Librarian of Congress, Dr. James H. Billington. A former director of the Woodrow Wilson Center for International Studies, he was nominated by President Ronald Reagan to be the thirteenth Librarian of Congress. In addition, in 1989, Deputy Librarian Welsh retired and a team of senior managers came in—there was now essentially a new Library of Congress management.

When Dr. James Billington became the Librarian of Congress, I felt that he was an excellent choice because he was a scholar and former director of the Wilson Center. I had a cordial relationship with him before he became Librarian, as in the past he had invited me to speak at panels on China, or to participate in other events related to China. I felt that he would improve International Studies at the library.

While his predecessor, Boorstin, had been a specialist in American studies, Billington was a Russian expert. He frequently visited the Soviet Union, organized exhibitions on the Soviet archives, and sponsored other events related to Russia and the former Soviet Union.
Shortly after becoming Librarian of Congress, in November of 1987, Billington asked me to arrange a symposium on the 13th Chinese Communist Party Congress. He asked Bob Sutter of the Congressional Research Service, the chief of the Far Eastern Law Division, and me to give presentations. About 100 people attended along with Billington, who commented that in the future he would like to have more symposia like this; however, this was to be the first and last.

Although Billington and I continued our business relationship after he became Librarian, at times I was disappointed by the changes that occurred under his leadership. However, he was able to acquire new monetary resources to maintain the Library's collection, and established the Madison Council to achieve his fundraising goals. He was able to invite more than 100 top American businessmen, with each member’s annual membership fee being $10,000. In addition, each of the Council members contributed funds to hold special programs at the Library.

Billington did not end his efforts with fundraising, and in his new position as Librarian of Congress he sought to reorganize the Library's structure; however, as an observer of Billington’s reorganization, I can say that it only splintered the Library so that it became difficult to manage. Billington began his reorganization in 1988. Due to the nature of the Library of Congress, Billington did not make major changes to the Congressional Research Service or the Copyright Office. Only the Processing Department and the Reference Department, which included all area studies divisions, were subject to Billington’s reorganization plan. In an effort to facilitate his reorganization, Billington established a Taskforce for Reorganization headed by the Bibliography and Reference Division Chief Ellen Hahn and the Information Division Chief of the Copyright Office Winston Tabb. The taskforce’s work was completed in 1989 with the creation of the department of Collection Services; Collection Services was formed by merging the Reference and Processing Departments. A new position, Associate Librarian of Collection Services, was created to oversee the 2,000 staff members now under the umbrella of Collection Services. Ellen Hahn held a higher-ranking position than Winston Tabb, and so it was assumed that she would ascend to the newly created position. However, to the surprise of many staff members, Winston Tabb was selected as the first Associate Librarian of Collection Services.
On November 18, 1988, I organized a one-day meeting to mark the 60th anniversary of the Chinese section. About 150 guests met in the Mumford Room for panel discussions and attended a luncheon celebrating the occasion. Many important East Asian Studies scholars and librarians attended. The morning panel, moderated by acting head of the Asian Division Dr. Richard C. Howard, discussed the history and development of the Chinese collection. Panelists included Dr. Edwin G. Beal, former assistant chief of the Orientalia Division, Dr. K. T. Wu, former head of the Asian Division, and Mr. James K. M. Cheng, head of UCLA’s Oriental Division. Ms. Diane Perushek, curator of the Gest Oriental Library at Princeton, was the discussant. The afternoon panel, moderated by Dr. Mi Chu Wiens, a Chinese section Asia specialist, discussed the Library of Congress and Chinese studies in the United States. Panelists included Dr. Robert G. Sutter, Chief of the Foreign Affairs Division at CRS, Dr. Tao-tai Hsia, Chief of the Far Eastern Law Division, Professor John Witek, S.J., a professor of East Asian history at Georgetown, and Dr. Mary Brown Bullock, secretary for the Asia Program at the Wilson Center. Dr. Frederic E. Wakeman, Jr., noted China scholar and President of the Social Sciences Research Council, was the discussant. The event was a great success, and I was happy to have the opportunity to celebrate the Chinese section again.

The Tiananmen Square Incident and its Aftermath

After this celebration, a major tragedy occurred in China. During what came to be known as the Tiananmen Square Incident, the PLA took military action against peaceful student protestors, resulting in untold casualties. Not only was this event a great tragedy for the Chinese people, it also triggered a major crisis in US-China relations as the US struggled to reconcile the new
relationship between the two countries with China’s human rights violations.

Smooth relations with the PRC libraries had continued until 1989 and the Tiananmen Square Incident. I remember clearly how I discussed the coming crisis with Chinese ambassador Han Xu. I felt strongly about this issue because as a high school student, in China, while attending a protest, I had seen the KMT police open fire on students. I had found this grossly unjust as the students were merely protesting corruption and the civil war; it was not a Communist uprising. I counseled Ambassador Han to recommend immediate resolution of the student protests. He assured me that it would be taken care of. As the crisis continued to build, a leading Chinese official, Hu Qiaomu, came to the United States and I had the pleasure of meeting with him. (Hu, Mao Zedong’s personal secretary for 19 years, was the author of a Communist party history and a highly respected Chinese leader.) We talked for several hours, discussing the Cultural Revolution, his years with Mao, and finally, his own participation in student demonstrations against the Kuomintang in the 1930s. Due to his own experience, Hu sympathized with the students and insisted that he was in favor of change. However, he informed me that because of his reputation as an ultra-conservative in China, his recommendation would make the situation worse for the students. I passed this on to Ambassador Han Xu and Wan Li, the NPC chairman who also was in the States at the time. Wan assured us that he would address the situation when he returned to China, but unfortunately when he arrived back in the mainland he was asked to stay in Shanghai temporarily. I even personally sent Deng Xiao-ping a proposal of how to resolve the crisis, urging him to sit and talk to the students. My message did not receive any response.

There was an international conference on the development of Chinese libraries scheduled in Beijing for August of 1989, only two months after the tragedy in Tiananmen Square. An American East Asian library delegation was scheduled to attend, but in the wake of the incident, it was difficult to find anyone who was willing to go. I reluctantly agreed to lead the delegation and received permission from the library to do so, yet even finding others to accompany me was a difficult task. Nevertheless, the meeting was still going to be held, and I was persistent in my search. Eventually I was able to find eight people to accompany me to the three-day conference.
Chinese leaders in the Great Hall of the People received us warmly. There we met Vice-Chairman Huang Hua. During this meeting, one of the members of the delegation raised the question of why the Chinese had killed students, but I deflected this question as it had little to do with our mission. While we were in Beijing, I took a walk to nearby Tiananmen Square. Only two months after the tragedy, there were PLA guards everywhere and the bullet holes had not yet been covered. The Chinese capital was still in a very somber mood, and no one wanted to talk to visitors. It was an experience that I will never forget. However, most importantly, the American delegation had fulfilled its original commitment to take part in the international conference.

The Beginning of the End: The Abolishment of the Chinese Section

As the new Librarian came in and structural changes were made to the Library, many senior officials retired or resigned and a new class of management took over. Tsuneishi and his assistant chief Richard Howard retired in 1992, and the Library began the search for a new Division Chief. During this period, all the Section heads, excluding me, served regular three-month terms as Acting Division Chief. My job description, as head of the Chinese section, indicated that in the absence of the Chief, I would fulfill the Chief’s responsibilities, but, according to Tabb, my intent to apply for the position precluded me from fulfilling duties. During this period, the other Section heads began to prepare for retirement, and by 1993, all of the Asian Division’s section heads retired except for me. I still enjoyed my work, and was hopeful about the future of the Asian Division. Therefore, urged by my friends in the East Asian studies community who also felt the Library should play a leading role in East Asian scholarship, I decided to remain.

In 1990, Billington continued his reorganization efforts, and turned his attention specifically to the Chinese Section. Billington initiated a new collection review project to review portions of the Social Sciences Collection in the Chinese Section, and set aside $35,000 for this purpose. A five-member team that included me, a scholar from the Congressional Research Service, and one staff member each from the Acquisitions Department, the Law Library and the Federal Research Division conducted the two-year review. We met regularly for two years. Responding to Billington’s request for contributions from outside the library, I recommended six
professors from universities such as Chicago, Duke, Georgetown, and the University of Miami. The outside people gave recommendations for acquiring books in China, including the establishment of a regional office China.

The review team made a number of suggestions to improve the workings of the Chinese section. On the recommendation of the review team, a new 25-member China working group was established. However, of the 25 only a handful of people were China specialists, although the purpose of the working group was to get better acquisitions from such places as China, Taiwan, and Hong Kong.

In 1991, Tabb informed Dr. Tsuneishi that he was considering transferring curator responsibility of the Tibetan collection out of the Chinese section to the South Asia section. His rational for this move was that India was in the South Asia section, and since the Dalai Lama had fled to India that Tibetan collection should follow suit and join India in the South Asia Section. In order to assess whether the collection should be moved, Tabb asked me to write letters to the foremost Asian libraries in the US and ask them where they housed their Tibetan collections. Harvard, University of Chicago, University of Washington, and University of California at Berkley all responded that they housed their Tibetan collection in their Chinese sections. Despite these responses, however, in late 1992 the Tibetan collection was moved from the Chinese section where it had been housed since the early 20th century.

In 1994, as the review on the Social Sciences Collection in the Chinese Section was being carried out, I defused a decision that would have been detrimental to the Chinese section. The library management wanted to integrate the Asian collections with the general collections – in other words to phase out the Asian collections as the Chinese section staff would have no responsibility to serve as curators. I contacted members of the China and Inner Asia Council of AAS who immediately decided to discuss it at a board meeting. Their open discussion helped to stymie the integration. In addition, the management wanted to automate the cataloguing of rare books, although top Chinese experts in the 1940s had already catalogued them. The value of the Chinese rare books is priceless. I feel that the rare books will be targeted for automation in the future.
Although my work to stop the phasing out of the Asian collections was the last contribution I was able to make as an individual, there continued to be occasional developments that helped, however slightly, to alleviate the negative attitude toward the Asian collection that predominated at the Library. After the 1998 summit between President Bill Clinton and Chinese President Jiang Zemin, Librarian of Congress Billington contacted me to inquire about the status of Chinese acquisitions, collection, and the leadership of the China collection. In a later meeting with the Librarian, Billington mentioned that at a lunch with members of the Association of College Presidents, he had been informed that the Chinese section at the Library no longer played a leading role in scholarship and in fact had been declining for the last 5-10 years. I did not challenge that observation, telling him that although the collection was still the largest in the United States, it nevertheless had lost its position at the forefront. Billington was moved sufficiently to want to change this, and since then I began working on how to improve the Chinese section with his approval.

In 1993, the Library of Congress began to search for the next Chief of the Asian Division. Helen Poe, a Burmese woman who had served as a field officer in Pakistan purchasing books for American libraries was selected for the position. The Asian Studies community was surprised by this selection, as Poe had little experience managing an Asian collection and did not have Chinese or Japanese language skills.

Poe assumed her responsibilities as Chief in August 1994. She was a friendly person, and until her retirement in 2000, I enjoyed working with her. However, the Chinese section continued to suffer during those years. The book budget was cut, personnel were cut, and as the older people began to retire, they were not replaced. I was not allowed to hire new people. The Chinese Section staff shrank from 12 to five members.

Carolyn T. Brown, the acting director of Area Studies, joined the Library of Congress after having served as an adjunct professor at Howard University. I had met Brown in 1967 when she was a junior staff member at the Federal Research Division after she graduated from college. Some years later, when she joined the Woodrow Wilson International Center for Scholars as a fellow, she came to the Library to conduct research for a paper she was writing on Chinese literature. Although she was researching Chinese literature, she had only studied Mandarin during her college years,
and thus needed help consulting Chinese language sources. As the head of the Chinese Section, I came in contact with her and helped her complete her research. Brown joined the Library, probably after being recommended by Ronald Morse, who had joined the Library after serving as the Asian Program Coordinator at the Woodrow Wilson Center shortly after Billington’s appointment.

When Brown first came to the Library, she headed the Office of Education Services and later was the Associate Librarian for Cultural Affairs. Although she eventually left these positions, she remained at the Library and moved to the Collection Services Department headed by Tabb. Under Tabb, she was made the Assistant Librarian for Collection Services and acting Director of Area Studies despite not having previous experience in the library sciences or advanced foreign language skills.

Helen Poe decided to retire, and joked about having beaten me to retirement. In 2001, there was again a rotation of acting chiefs and in 2002, the process of hiring a new Chief of the Asian Division began. In early 2003, it was announced that the hiring process was completed and the new Chief of the Asian Division: Lee Hwa-wei, a retired librarian from Ohio University, was appointed. It is hard to say if Lee was the most qualified applicant, because no information was provided about the application process; neither the number of applications received for the job nor the number of applicants interviewed was made public. This complete lack of transparency in a hiring process that resulted in the appointment of a friend of Winston Tabb was inappropriate for a US government institution.

When he first began his tenure in February of 2003, Lee spoke with me and told me how much he respected me and my work, and how he would depend on me to build the China collection. I was encouraged by our initial conversation and looked forward to restoring the Library’s role as a leader in China studies. Not one month later, however, Lee announced via email that he would restructure the Asian Division. The email came as a surprise to the Asian Division staff as the Chief had not discussed his plan to restructure with any of the section heads. In the email, we learned that the Chief planned to abolish all of the regional sections by 2004 and replace them with two new sections: Collection Services Section and Scholarly Services Section. The Asian Division includes collections from East Asia, South East Asia, India and Pakistan. It was not possible for two section heads to master
all of the languages or cultivate the requisite regional knowledge to manage these diverse collections properly. To replace the regional sections, the new chief created four regional teams: a China and Mongolia team, a Japan team, a Korea team and a Southeast and South Asia team. Division staff was encouraged to join multiple teams regardless of expertise. This new structure resulted in team consisting of members who did not have the expertise required to maintain the collection under their control. Furthermore, team coordinators rotated every six months, thereby eliminating any semblance of a permanent management structure. I was concerned about the effect of the restructure, and wrote and submitted a report expressing my concerns. However, the reorganization continued and my report was not addressed.

The 75th Anniversary of the Chinese Section

Although I was disappointed by the lackluster response to my report, my commitment to the Chinese Section remained steadfast. Therefore, it was around this time I decided to celebrate the 75th Anniversary of the Chinese Collection. For the anniversary, I raised $20,000 and organized a full-day conference on Chinese studies and the intricacies of Chinese collection development. The event was divided into four sections: the development of the Chinese collection in the Library of Congress; the Chinese Section and the American academic community and East Asian library community; scholarly interpretations and digitization of Chinese materials; and the future role of the Chinese Section. In addition to the many eminent scholars who spoke at the event, I was honored to have Secretary of Labor the Honorable Elaine Chao serve as the keynote speaker.

Before Secretary Chao spoke at the event, I had the privilege of escorting her on a whirlwind tour of the Chinese Section’s rare books collection. Chao called the collection “magnificent” and remarked that, “the Chinese collection at the Library of Congress is indeed our nation’s crown jewel.” Secretary Chao also confirmed what others and I had known for many years: the Chinese Section at the Library is a source of great pride for overseas Chinese and Chinese-Americans alike. “As an American of Chinese ancestry,” Chao explained, “I view the Library’s Chinese collection as a longstanding testament to the good will, generosity and adventurous spirit of the American people.”
Secretary Chao also lauded the Chinese Section’s most precious resource: the hardworking professional librarians and scholars. I could not agree with her more on this point. The staff of the Chinese Section provides guidance to students and academics, members of Congress, government officials and the general public. Without a proper staff, the Chinese Section will languish due to a lack of understanding about how to best access and use its immense resources.

During the symposium, many scholars also shared their experiences with the Chinese Section over the years. Toby Meyer-Fong, a professor of history at Johns Hopkins University, talked about how, after having spent months in China and Japan researching the cultural history of late Imperial China, she found that most of the materials she needed were in fact housed in the Library of Congress’ Chinese Section. “I would go to China and compile lists of what I wanted,” Meyer-Fong said, “and then return to the Library of Congress to read them.” In fact, Meyer-Fong spent so much time working in the Chinese Section that she decided to buy a house just a stone’s throw from the Library.

Thomas Lawton, the former director of the Freer/Sackler Gallery of Art, talked about how he frequently used the Chinese Collection to research ancient Chinese art. He heaped praise on the Chinese Section’s staff and the rare book collection, even describing a colleague of his as “trembling with excitement” as he combed through the exquisitely rare and well-preserved volumes. In order to convey the high esteem in which that the academic community holds the Chinese Collection, Lawton remarked, “Some scholars have greater reverence for the holdings of the Chinese Section than for those of the Freer, and that is something hard for a museum director to admit!”
Several other noted scholars took part in the event, including Dr. James S. Hu, professor emeritus of library and information science at National Taiwan University, Richard Howard, former acting Chief of the Asian Division, James K. M. Cheng, librarian at the prestigious Harvard-Yenching Library, Dr. Tai-loi Ma, Director of the East Asian Library at Princeton University, and Yuan Zhou, curator at the East Asian Library of the University of Chicago. Although they all discussed different aspects of the history and collection development of the Chinese Collection at the Library of Congress, one theme remained consistent throughout: that the Chinese Section houses the rarest and most magnificent collections of Chinese materials outside of China; it is truly a world-class collection.

Final Reflections

As I look back on my final years at the Library of Congress, I believe that it is very unfortunate that three or four people were able to create a disorganized situation not only for the Asian Division, but for other divisions in the Library of Congress as well. I personally witnessed things spinning out of control, and hope that this will be reversed.

During my nearly 50 years of service at the Library of Congress, I feel like I accomplished something that I can be proud of—the expansion of the Chinese collection to over one million volumes. I was able to succeed in this goal through hard work, but also through the help of the many friends and colleagues mentioned in this article. In addition, I would like to thank Ms. Wang Ming, Ms. Janet Chase, and Ms. Barbara Sakamoto. All three ladies served as personal secretary to their respective Librarians of Congress, and all three were responsible for maintaining an open communication line with the Librarian. This was instrumental in my work at the Library, as I was able to gain access to the Librarian for meetings with important figures in U.S.-China library relations.

The only thing that I regret from my time at the Library of Congress is the abolition of the Chinese section in 2004. Dr. Arthur W. Hummel, and many others, dedicated their lives and careers to build the Chinese collection, which has become a cultural center and a part of the identity of all Chinese Americans. It is unbelievable that the Library of Congress has not paid attention to this significant aspect of what the Chinese Section means to the Chinese people and to the Library itself. Although it is a small unit,
it is a symbol of the American people’s interest in China. The books will remain in the Library of Congress, but without proper care and management, the collection will be hampered in the future. I certainly hope that this is not the case, but I fear it will be.

Many people and groups, including the Association for Asian Studies and the Council on East Asian Libraries have recognized my contribution to the field of Chinese Studies. I have become an honorary advisor at the George Washington University Library’s East Asian Collection and the National Library of China. I especially am honored by my position at the Beijing National Library, as I am the first non-Chinese citizen to be given such a position. However, the day that I will truly celebrate my career is the day that the Chinese section is reestablished. While the Asian Division may be reorganized and the entire Library may be restructured, the value of the collection will never change. I believe in my heart that the errors and inadequacies of the current system will be recognized and that the Chinese Section will be reestablished in order to care properly for this national treasure.

Despite my disappointment at the abolishment of the collection, I feel I have been one of the happiest people in my career overall. The Library of Congress was one of the greatest places to work, especially for a book lover like myself, and I enjoyed my job at the Library very much. I am proud that I was able to play a role in developing the Chinese section at the Library of Congress, and finally I am very glad that I had the opportunity to play a role in the development of Chinese studies in this country.
REVIEWS


Reviewed by David Canes

Lynne Joiner’s Honorable Survivor, a detailed and thorough account of the travails suffered by Foreign Service agent John Service in the crazy decade after the end of World War II, is a must-read for people interested in the development of America’s modern China policy and for individuals who want to learn about past mistakes in American foreign policy.

Joiner illustrates the dedication and sacrifice of a U.S. Foreign Service officer who fell victim to the misguided convictions of a handful of zealous American policymakers. In the 1940s, a number of key American officials, including Patrick Hurley, Roosevelt’s ambassador to China, perpetuated the presumption that Chinese Communists were automatically suspect and were rivals to America because of their ideology. Growing suspicion of Mao Zedong subsequently led FBI head J. Edgar Hoover, Senator Joseph McCarthy, and other U.S. officials on a crusade to ferret out Communist spies in the U.S. government.

Service joined the Foreign Service in January 1933. As a young Foreign Service officer in World War II, he filed prescient reports on the rival Chinese forces battling the occupying Japanese—Chiang Kai-shek’s Nationalists and Mao Zedong’s Communists—and observed the corruption and weakness of the former. Raised in Chengdu by American missionaries (his parents formed the first YMCA club in China in 1906), Service spoke fluent Chinese. His earnest recommendations for the U.S. to accept and accommodate to the growing power of the Communists—advice based on his own observations in China and conversations with Chinese officials on both sides—eventually subjected him to accusations of disloyalty to his country. In fact, his only “crime” was possessing a sympathetic view of Mao as a Chinese leader, in contrast to the bumbling Generalissimo Chiang Kai-shek.

Ably demonstrated with an impressive array of references, Joiner’s depiction of wartime China is riveting. Her description of
Service’s July 1944 “Dixie mission” to Yenan province, the headquarters of the CCP, is a high point of this book. Joiner mentions that the visit occurred 18 months after Service first suggested it. The account of the mission and of a later mission by OSS and Foreign Service personnel to Yenan show how badly the CCP wanted to work with America to fight Japanese aggression. While Communist fighters helped save Americans pilots who were shot down by the Japanese, Chiang was able to prevent any military aid from being disbursed to the CCP by the United States. “We can and must work together,” Mao told Service. But what cooperation there was paled in comparison to what might have been. Chiang’s forces were given lots of support by the Americans. Chiang successfully vetoed U.S. support for the CCP, much to Service’s chagrin. Joiner explains how the so-called Apple Plan of a military relationship with the CCP never was approved.

The one fault with this book lies with the strident condemnations of Chiang Kai-shek. Numerous times, he is derided as a corrupt buffoon whose troops routinely commit atrocities against other Chinese. Service was right that the CCP was going to win the civil war and that America should have cultivated a relationship with Mao, but there is not one mention in this book of anything bad being done to Chinese nationalists by the CCP. It is hard to believe that Chiang’s forces committed all of the atrocities in the Chinese Civil War. Was Chiang more corrupt than Mao? Definitely. However, were his actions exponentially more brutal than those committed by Mao, as Joiner seems to suggest?

Had Service’s perspective won out with American policymakers, the history of the early years of the Cold War might have been markedly different (as Service himself later noted). There may never have been a Korean War, and there would never have been the mutual trade embargoes. The second part of this book describes the hell that Service lived through after the conclusion of WWII; his prescient vision of Communist victory in China convinced the China Lobby and other rabid anti-Communist elements that he was in fact a Communist agent. The account shows the iron fortitude that Service had as he kept attempting to clear his name and serve his country.

First, the FBI investigated Service (he was jailed for one night) for his contacts with Amerasia Magazine: Service gave copies of old Foreign Service reports to its editor. Some of the detective work in the case consisted of illegal FBI searches and
wiretaps—Joiner accurately depicts how completely out of control certain American governmental elements were in the late 1940s and 1950s. In fact, the system was so corrupt that Service kept being investigated repeatedly. As Joiner describes, a grand jury of 20 people unanimously acquitted Service of treason. After that, he was investigated by the notorious Senator Joseph McCarthy in the Tydings Committee hearings and by two State Department Loyalty Review Boards. At the first State Department board, none other than George Kennan came to Service’s aid, testifying in his favor. Incredibly, Service had to appear 15 times before the first Loyalty Board; the Tydings Committee hearings lasted for three months.

Service was able to stay afloat until 1951. At that time, after having been posted to India, he was found guilty by a State Department Loyalty Review Board of talking too freely with the Amerasia editor and for giving him reports that should have remained confidential. Service was fired from the Foreign Service in December 1951. He then sued the government and won; the Supreme Court restored him as a Foreign Service officer in July 1957.

John Service was a great American patriot. Joiner’s account of his ordeal is told in fascinating detail. People with an interest in wartime China will love the first part of this narrative. The second part, shocking as it is, will help modern day Americans to understand the horrible period this country went through in the McCarthy era. Let us hope that it is never repeated. Let us hope as well that relations between the world’s wealthiest country and its most populous nation are managed shrewdly and wisely by policymakers on both sides. Nothing else will serve to honor the memory of John Service.

Reviewed by Chi Wang, Ph.D.

Anyone who studies modern Chinese history can identify four leaders who play the most important roles in shaping the future of China in the 20th century.

The first, of course, is Dr. Sun Yat-sen (1866-1925), leader of China's republican revolution and recognized as the founder of modern China. Sun's protégé, Generalissimo Chiang Kai-shek (1887-1975), assumed the leadership of the Kuomintang (KMT) after Sun's death. Chiang led China in the Second Sino-Japanese War and World War II, before retreating to Taiwan after his attempt to eradicate the Chinese Communist Party during the Chinese Civil War ultimately failed. Mao Zedong (1893-1976), the charismatic revolutionary who led the Communists to victory and established the People's Republic of China, is undoubtedly the most well-known and of the four leaders. Finally, Deng Xiaoping (1904-1997) assumed leadership of the PRC after Mao's death and opened China to the West. Deng's efforts to modernize China spurred the country into becoming one of the fastest growing economies in the world.

While there are many publications that have been written about these dynamic leaders, there are very few books written that can be deemed truly comprehensive and authoritative. Many of the available works, especially about Chiang Kai-Shek and Mao Zedong, fall into the familiar trap of either demonizing or deifying the man. This approach fails to give the reader a genuine impression of these leaders and their influence on Chinese society during their lifetime. Jay Taylor's biography, *The Generalissimo: Chiang Kai-shek and the Struggle for Modern China*, is extremely well-written, and is probably one of the better and most balanced books written about Chiang's life and career.

Taylor extensively examines Chiang's actions and influence during the period of the Northern Expedition, the Sino-Japanese War, the Civil War, and his exile to the small island of Taiwan, where Chiang lived out the remainder of his life, continuing his struggle to somehow bring about a coherent and unified China.
Taylor detailed Chiang’s relationships with many of the other influential and controversial political figures of the 20th century—not the least of whom being his own beautiful American-educated wife, Madame Chiang.

Taylor, a former Foreign Service officer and an accomplished writer, has become, to some extent, the official Western biographer of the Generalissimo and his family. Taylor had previously written a book chronicling the life of Chiang Kai-shek’s son, Chiang Ching-kuo, at the request of the Chiang Ching-kuo Foundation in Taipei. As in his earlier book, Taylor consulted a vast number of resources in order to create a frank portrayal. He was able to take advantage of several previously unavailable archival primary sources, the most significant of which being a copy of Chiang’s personal diary that recently was made available for scholars at the Hoover Institution in California. It would be interesting to know if Taylor also was able to utilize wen shi zi liao from Chiang’s closest associates during the years of his leadership. Wen shi zi liao are collections of thousands of reminiscences on local history and culture at the county, province, and national level that were published by defeated KMT leaders after 1949 at the request of the new Communist leadership. These documents provide unique perspectives into China’s recent past, often through first-person narratives.

*The Generalissimo* is a balanced, eminently readable portrayal of one of the most important leaders in Chinese history, and is a must-read for anyone seeking to understand tumultuous path down which China has struggled before becoming a global leader.