

# Back Talk — A Modest Proposal

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Eating/drinking and shopping are the two best known hobbies of Hong Kong people. This Chinese New Year's weekend, 8 million Chinese will cross Hong Kong's borders to participate in these activities with family members. For me, a native of Idaho and whose hometown only had about 40,000 people when I left some 40 years ago, 8 million people is a sizeable number.

Yet, none of these millions of consumers will be able to enjoy my favorite eatery: **Fat Wong's Szechwan Chicken Restaurant**. **Fat Wong** ran into a few problems which are eerily familiar to those of us in the library business and closed his doors last Tuesday:

- The number of customers coming through the door steadily declined.
- The take-out business was growing, but the per-transaction costs were quite expensive.
- **Fat Wong's** staff numbers were stable, but while fewer were waiting on tables, more were needed to handle the online and telephone business.
- **Fat Wong's** materials costs had been going up much faster than the prices he was able to charge for many years. He had handled the problem for many years by cutting other dishes, reducing salaries, buying new automated equipment, etc., all in order to focus on what people seemed to want most: tasty chicken.
- While in the old days he could buy fresh chickens from many producers, recently a few big wholesalers had managed to buy the competition out and when that happened they were able to increase their charges at will.
- **Fat Wong** tried to get people to enjoy frozen chickens but Hong Kong people are quite finicky about their chicken and wanted only the fresh variety with lots of fat and yellow skins.
- For a while **Wong** was able to drive his per unit chicken costs down by banding together with other small restaurant owners (a miracle since these were a very competitive and non trusting group) and buy chickens in bulk. But since the large wholesalers required the restaurants to buy lots of other food stuffs not in demand, his overall costs — compared with his income — continued to rise.
- **Fat Wong** thought that if he could increase his customer base perhaps he could still prosper. He replaced his old boring furniture with soft comfy armchairs, trendy tables, and brought back table lamps. He also held free cooking classes for customers who wanted to occasionally replicate his famous chicken. But at the end of the day his production cost still outstripped his income and he had to close shop.



Now, while this allegory might seem a bit far fetched, it does reflect the quandary that America's research libraries find themselves. You can find all the library facts in **Martha Kyrillidou and Mark Young's ARL Statistics 2001-02: Research Library Trends** (<http://www.arl.org/stats/arlstat/02pub/intro02.html>). Generally, the in-house use, circulation, and reference transactions of North America's 114 research libraries, which account for 75% of all library related dollars spent, are in decline. These libraries are moving rapidly into the digital world but accompanying costs are damaging their ability to provide well rounded services. While consortial deals initially seemed great to many because they provided much more content at a lower per unit cost — in the end if you have to buy more cheap units than you can afford — you are still in a financial bind. Libraries have been initiating a number of counter measures to do more with less, or to actually attack what seems to be the publishing world's equivalent of rogue nations who own weapons of library destruction: We are much better at ILL than ever before; we are doing more teaching than ever; we are making libraries nicer places to live in; we are subsidizing non prime publishers and trying to get into the publishing business ourselves; indeed, we are much more collaborative than ever before in our attempt to unite to do combat with our common enemy. The consortial deal, shunned only a decade or so ago, is the basis of almost everything we do electronically. Yet, the battle between big publishers and big libraries seems to have returned to a lose-lose impasse.

We out here on this edge of the Pacific basin are concerned. Like watching a soap opera, it is tempting to simply wait and watch to see what happens: Will the **SPARC** initiative drive the villains to their knees? Will the state or consortium-wide moratoriums cause sufficient stock holder jitters to force the evil foreign publishers to allow libraries to buy

what they want instead of taking part in consortial packages (ignoring the fact that we are living in a linked world where denying researchers to click from one journal to another via the Web is about the only truly remarkable improvement in library offerings in this or the last century)?

## I would like to make a **MODEST TWO-PART PROPOSAL**:

1. **Elsevier** should re-price all of its journals. They should simply go back to the 1990 price and increase it by one and one-half the percentage of growth experienced by the Consumer Price Increase. This would be a nice profit growth rate but would give libraries **ENORMOUS** relief. For newer journals, I'm sure they can figure something out that follows the spirit of this price rollback.
2. Research librarians should feel good and return to the business of delivering **high quality** content to their readers — and take advantage of all of the linked digital content provided by today's e-journals.

If **Elsevier** were to take this unilateral step, the other publishers would follow suit or go out of business. It could also push forward with the development of new e-journals that don't simply mimic journals with print and picture on paper. Truly new products will provide new markets for new money. With less expensive content, libraries can pay more attention to issues of teaching users how to find what they need in the avalanche of new content, improving the research experience, preservation (remember **Slow Fires** which still exists ), making their rich collections more accessible to users through digitization efforts, — and buying the revolutionary new journals.

And if **Elsevier** were to take this bold step, I could also change soap opera channels and get back to work and trying to revive **Fat Wong's** restaurant. 🍄