

China, of course, is much in the news these days. So many Western trade missions pass through the country that its hotels are Standing Room Only. Scarcely a week goes by without a newspaper report from China telling of yet another new agreement of some kind with Western business groups. We have read with interest, and I must say with appreciation, of the creation of Special Economic Zones -- I believe there are 19 of them now -- and of the very special status China has promised to Hong Kong.

On the other hand, we have also seen a flurry of stories suggesting that China is about to renounce Karl Marx and take up capitalism as a way of life. Don't believe it. China is going to remain a centrally planned economy. It's just that the central planning has been expanded a bit to include some of capitalism's ways.

What is happening in China is the modernization of Marxism, and that is exciting of itself. As the direct result of its exposure to the West over the past few years, China has decided -- and Vice-Premier Deng Xiaoping has decreed -- that it is completely fitting for Communists to use capitalist tools and methods. Internally, this has taken such forms as monetary reward to workers and management for higher production, the promotion of consumerism, and the profit motive -- properly employed, of course. In Beijing, for example, there is a new supermarket, collectively owned, named "Yi Li". Yi Li means "righteous profits".

In China, this is known as "socialism with Chinese characteristics". It is a very pragmatic sort of socialism. Thus we see China sending some of its brightest students abroad to see what they can learn from us -- primarily science, technology and management techniques. We see China's government increasingly prepared to be flexible in its approach to trade and foreign investment. And we see Chinese government companies slugging it out toe-to-toe with Western and Japanese businesses in the international marketplace. As a people, I think it is fair to say that the Chinese have never been short on business acumen. If they ever were, they are not short on it now.

To the outside business world, this is very heady stuff. A country that is beginning to open its doors. A country with a civilization that goes back three millenia, and a potential market of more than a billion people. But caveat vendor -- let the seller beware. China is by far the toughest market Canadian business has tried to crack.