

China: Dilemmas of Modernisation. Edited by GRAHAM YOUNG.
[London: Croom Helm, 1985. 279 pp. £19.95.]

Changes in China take place so rapidly these days that any attempt to give an up-to-date assessment of recent developments is in grave danger of being overtaken by events. This volume, the origin of which lies in a conference held in 1983, does not entirely avoid the trap, although in seeking to identify major problems and dilemmas that have emerged in the wake of the "readjustment strategy," the authors go well beyond a mere summary of recent events. All the papers are concerned with modernization, but they also cut across disciplinary boundaries in a way that gives the book a varied interest. The analyses are based on literary sources (the best of them involving quite extensive reading of primary materials) and on fieldwork conducted in China itself.

The primacy of *economic* reform in the process of readjustment has always been clear and it is quite appropriate that three of the essays are devoted to aspects of economic policy. They embrace analyses of rural and industrial reforms (the former benefiting from hindsight afforded by the more consistent pattern of change observable in the countryside since 1978), as well as an examination of China's policy towards technological transformation. The remaining papers consider recent developments as they have impinged upon the People's Liberation Army, China's youth and her minority nationalities.

The present volume is the publisher's third collection of papers on developments since the death of Mao. It is also the most successful, not least because of the ability to view those developments against a broader and more clearly-defined perspective. No doubt further research and the mere passage of time will necessitate some revision of the views put forward here, although the general thrust of much of the argument would not seem to have been invalidated by what has happened during the most recent period. In short, this book provides a useful and interesting assessment of some important aspects of China's modernization programme.

ROBERT ASH

Chinese Business Under Socialism. The Politics of Domestic Commerce, 1949-1980. By DOROTHY J. SOLINGER. [Berkeley, Los Angeles, London: University of California Press, 1984. 368 pp. \$35.00.]

Professor Solinger's book is a work of political science in the best sense of the term. She has researched her subject admirably, presented us with the facts, and suggested a hypothesis for their interpretation. In addition, she has presented her assumptions and arguments with such clarity that readers inclined to disagree will have little difficulty in finding where the debate should be joined.

In analysing the vacillations of Chinese commercial policy since 1949, Professor Solinger posits three ideal-typical political "tendencies": "radicals" concerned with issues of class and equality, "bureaucrats" concerned with issues of state control, and "market-eers" concerned with productivity. She identifies the existence of

these three competing tendencies as one constant operating on Chinese commercial policy, in addition to China's low level of development and the leadership's basic commitment to a planned economy.

With these constants in mind, Professor Solinger proceeds to a study of what she calls the three central facets of Chinese commercial policy: the treatment of the private sector, the disposal of the products of light industry, and the role of free markets for agricultural produce.

Her analysis is extremely illuminating, especially in her discussion of the conflicts between those in charge of producing goods and those in charge of selling them. While industry strives to meet output targets, often in disregard of quality, commercial organs must meet sales targets. The crucial fact of the plan accounts, in Professor Solinger's view, for the outstanding feature of the Chinese economy: that commodities often substitute for money as a medium of exchange. It is not mere possession, but power over goods – including the power to dump, not just to obtain – that counts.

Solinger argues that the locus of this power over goods is the key variable in her three models of interaction between state industrial and commercial firms that have held periodic sway in commercial policy. The dominant model, *tonggou baoxiao* (“unified purchase and guaranteed sales”), has been the favourite of bureaucrats. Under the marketeers' model of *xuangou* (“selective purchase”), the market tends to lead production, since commercial departments may buy or not as they choose from producers. The radical critique of the rigidities of the bureaucratic model has been the “buy whatever” model, where the sole task of commercial work is to encourage production. Interestingly, Solinger finds that this model, which appeared in its purest form during the Great Leap Forward, has usually followed a period of domination by the marketeer model – such as we are seeing today.

This summary account cannot, of course, do justice to the rich tapestry of criss-crossing policy conflicts, constraining factors, and policy arenas that Professor Solinger has so skilfully woven. The book's organization is marvellously clear and might indeed be a model for future studies of its kind.

Despite my admiration for the book, I found its analysis unsatisfactory in a few places. For example, in discussing policy cycles, Professor Solinger says (p. 299) that “when each value [egalitarianism, order or productivity] is carried out to its limit, the economic consequences trigger an elite reaction which leads to policy shift.” Not only does this make economic policy a kind of autonomous perpetual motion machine, completely independent of events in the political world, but Professor Solinger herself notes earlier (p. 240) that policies can be abandoned long before they have been carried out to their limit – marketeer policies of the early 1960s, while “a far milder version of the more extreme 1956 selective purchase plan,” were nevertheless replaced by radical commercial policies during the Cultural Revolution – unless “limit” is to be understood tautologically to mean simply the point at which a policy is abandoned.

Elsewhere, in assessing the desirability of “the free market” in China today, Professor Solinger puzzlingly concludes (p. 301) that

“there are costs either way” (present tense) after observing that the free market in pre-revolutionary China “meant a free market to buy opium, to sell children, to become a prostitute, to purchase basic foodstuffs at skyrocketing prices, to trade at a loss with clever businessmen after trekking miles over mountainous terrain” (past tense). I believe that something more than a parenthetical observation that China now, as then, is poor and populous is needed to sustain an argument that the above parade of horrors need follow even were China to turn capitalist tomorrow, or that the Chinese in a planned economy have not hitherto had the “freedom” to sell children, to become prostitutes, or to be forced to sell their produce at a loss.

DONALD C. CLARKE

Australia-China Trade. By KEVIN B. BUCKNALL. [Brisbane, Queensland: Griffith University, Centre for the Study of Australian—Asian Relations, School of Modern Asian Studies, 1983. Australia-Asia Papers, No. 9. 108 pp. Austr. \$3.00.]

China’s “open-door” policy has stimulated a revival of international interest in the possibilities of trade with China. It is a periodic phenomenon brought about by the apparent prospects of trade with such a huge potential market. Kevin Bucknall reminds his readers that despite the tremendous size of the Chinese market it has never been a major participant in international trade.

The book, despite its title, examines not only China’s trade with Australia but also the importance, growth and direction of trade with the rest of the world. Similarly, detailed attention is given to the commodity composition of trade between China and Australia and also with the world. To make it useful to the widest possible audience, the paper has been written in a simple and straightforward style which eschews technical jargon.

The introduction enumerates the difficulties facing those who study the Chinese economy and foreign trade—it should be compulsory reading for younger students and anyone seeking to apply western economic theory to China.

Perhaps the most important contribution lies in the statistics which make up approximately half of the paper. A paucity of readily accessible, reliable statistics is a problem in any study of China; especially where a lengthy time series is required. Bucknall has provided details of China’s trade since the end of the 1940s with the world and with Australia in current prices and, where possible, in constant prices. The deflation method is explained in an Appendix.

All in all, a very useful paper for anyone with an interest in this field.

TAS LUTTRELL

Foreign Intervention and China’s Industrial Development, 1870–1911.
By STEPHEN C. THOMAS. [Boulder, Colorado and London: Westview Press, 1984. 186 pp. \$19.00.]

This monograph surveys Chinese economic development between