



Photograph of students of the class of '7811' of the Beijing Post and Telecommunications Institute.

Deng Opens the Door to the World

The winter of 1978 was particularly cold. A thin light came through the grayness of Beijing as a Xinhua News correspondent, using the most oblique innuendo, noted that the political situation was beginning to change. "A hint of sun is finally breaking through the coldness, bringing a small measure of warmth to people's lives. In this huge city, with its crowded apartments, its narrow checkerboard streets, the masses of people can begin to feel some relief."

1978 marked the start of China's momentous change. In this year China began to respond to the call of a different destiny. Ten years of the spasms of the Cultural Revolution and more than twenty years of a "planned economy" had put the country on the verge of collapse. There was exactly one bank in all of China. There was no insurance company, there were no financial institutions. Total reserves in the country came to RMB 108.99 billion, including those of State-owned enterprises and the central treasury. All of this was deposited in the one bank, making up 83.8% of the country's total sum of money. Fixed assets in any State-owned enterprise were paid for with "allocations" from the bank. Working capital came from loans from the bank.