

A Letter from the Publisher

ach year since 1927, TIME has selected the person, people or thing that, for better or worse, has most significantly influenced the course of world events in the preceding twelve months. In choosing the 59th Man of the Year, the editors considered such headline makers as Mikhail Gorbachev, the vigorous new Soviet leader; Nelson Mandela, the jailed black South African who symbolizes the struggle against apartheid; Bob Geldof, musical fund raiser for African famine relief; and once

again, the terrorist. The editors eventually decided to look beyond the day-to-day news and examine a phenomenon with an enormous potential impact on history: China's sweeping economic reforms, which have challenged Marxist orthodoxies and liberated the productive energies of a billion people. For introducing these far-reaching changes, China's leader, Deng Xiaoping, was made TIME's Man of the Year for 1985.

TIME has written frequently about Deng since he came to power, citing his bold approach in naming him Man of the Year for 1978. Since then, several cover stories have described the spread and effect of his reforms.

A factor in this year's selection was the five-day visit to China last October by the TIME Newstour of civic, academic and business leaders and Time Inc. editors. After viewing some of China's free-market experiments and spending more than an hour with

Rauschenberg, left, with Hoglund Deng, the tour participants agreed that the country's transformation far surpassed their expectations. Says Senior Editor Henry Muller: "In addition to the physical dimension—the construction and the traffic—we were struck by the openness and pragmatism of the officials we met. They subjected us to none of the ideological rhetoric you get from even the most enlightened officials in the Soviet Union or Eastern Europe."

Under Muller's overall supervision, 33 editors, writers, correspondents and reporter-researchers undertook to describe and analyze the "second revolution" under way in China. The main story was written by Senior Writer George Church, who notes, "Though Deng is the very opposite of an ideologue, we did more pondering of ideology and philosophy than usual in such a story." Church drew on files by Peking Bureau Chief

Richard Hornik and Reporter Jaime FlorCruz and Hong Kong Correspondent Bing Wong. Another important contributor was Washington Correspondent and former Peking Bureau Chief David Aikman, who interviewed specialists on China and

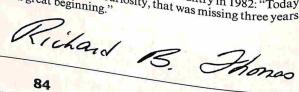
Hornik and FlorCruz provided reporting for Associate Editor Jim Kelly's story on the impact of Deng's reforms on three regions in China and the impact of Deng's reforms on three regions in China, and they also ferreted out biographical details

for Associate Editor William Doerner's profile of the Chinese leader. For Associate Editor George Russell's story on reforms in other Marxist economies, Eastern Europe Bureau Chief Kenneth Banta supplied reporting and analysis from Hungary and Yugoslavia. Heading the Man of the Year reporter-researchers was Helen Sen Doyle, who has studied Russian at universities in Leningrad and Moscow.

TIME Photographer Neil Leifer spent 17 days in China and came back with many of the pictures that appear in the main cover story. Special Projects Art Director Tom Bentkowski, who, along with Deputy Art Director Irene Ramp, designed package, commissioned the traditional Chinese characters that represent the one-wor titles accompanying the pictures.

For the cover, the editors turned to Artist contributed a self-portrait for a 1976 TIME cover story about him.

Rauschenberg, who had been visiting China to supervise a show of his work in Peking and Tibet, met with Art Director Rudy Hoglund in Japan. Says Hoglund: "We thought he would be able to suggest something new and revolutionary for a Deng cover. The artist used his firsthand observation and some of his own photographs to create a collage of images, including a scissors cutting a ribbon to show that something new is opening in China.
Savs Rauschenberg who also visited the Says Rauschenberg, who also visited the country in 1982: "Today there is a new spirit, a new curiosity, that was missing three years



70 Nation

The President heads into a daunting new year. ▶ Miami cops face murder charges.

89 Books

The Good Apprentice is a tour de force of narrative energy. ▶ The year's best.

World

Terrorists gun down travelers in Rome and Vienna. ▶ A surge of violence in South Africa.

100 Video

Mary is too much of a good-and familiarthing. ▶ The top shows of 1985.

78

Economy & Business Sport 1985 was a time of tumult. ▶ On Wall Street the only direction seemed to be up.

102 Design

Zoos, bungalows and high-rises all found expressive form in the best of 1985

Some occasions of joy, some of wistfulness, and one that is both: Howard Cosell leaves ABC.

12 Letters 83 People 96 Show Business 99 Music

101 Milestones

Theater

Benefactors is a disillusioned comedy. The best productions of 1985.

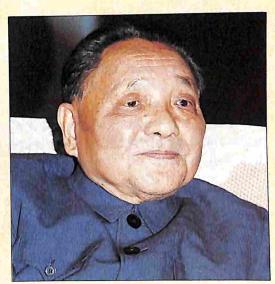
106 Food

Cover:

Collage by Robert

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MAN OF THE YEAR



24 **China's Deng Xiaoping leads** 1 billion people on a far-reaching, bold but risky second revolution

Defying the precepts most cherished by traditional Marxists, he is attempting to blend on a monumental scale elements that seem irreconcilable: state ownership and private property, central planning and competitive markets, political dictatorship and limited economic and cultural freedom. The reforms are a big gamble, and they face considerable domestic opposition. But if they work, the world will not be the same.

42 The comeback comrade

In a 60-year march through war and revolution, achievements and humiliations, triumphs and tragedies, the self-effacing leader has always shown a preference for pragmatism over ideology. Today, at 81, he stands at the zenith of his power.



46 A country changes course

The winds of reform have swept over China with unequal force. Sichuan is a showcase for the new agriculture, Shenzhen is a magnet for foreign investment and a high-tech boomtown, but Shanghai remains peculiarly impervious to Deng's goals.



62 Other Marxist heresies

In Eastern Europe, too, governments have been trying to make Communism work better. Hungary's relative prosperity has made it the envy of its neighbors, while Yugoslavia is testimony that not all the failures of Marxism can be blamed on Moscow.



59 The next generation of leaders

Ambitious, better educated than their elders and eager to use their skills, the around the ponderous buyoung men and women now moving up will help determine whether Deng's reforms succeed or fail.

Peking's savvy, Western-style investment bank

Led by a former capitalist, a state-owned firm gets reaucracy to woo foreign investors with a combination of sizzle and shrewd business skills.

64 Children: the heirs of Deng's legacy

Playing, laughing, sleeping—hardly the stuff of revolution. But the young stand to benefit most from the changes under way. A photo essay captures the faces of the future.

66 Four other newsmakers in the spotlight

The Soviet Union's answer to the Great Communicator; an "implacable enemy of this world"; a symbol for South Africa's blacks; a rock musician who believes in Aid.

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