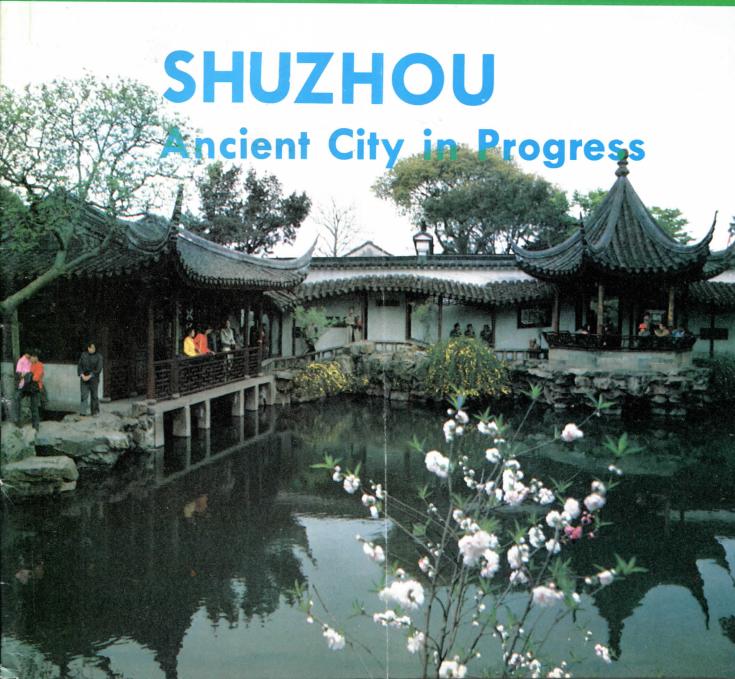
**Hu Yaobang** — On Handling Inner-Party Contradictions



### Venture Completes First Shanghai-Santanas

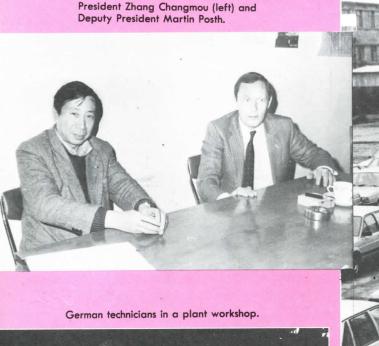
Shanghai Volkswagen Automotive Ltd. (SVW), a Sino-West German joint venture has manufactured its first "Shanghai-Santana' models, though the plant is still under construction. When completed, the factory will have an annual production capacity of 300,000 cars and 500,000 generators.

Photos by our staff Chen Zonglie



Automobile production line.

The factory's first batch of "Shanghai-Santanas" awaiting delivery.







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#### HIGHLIGHTS OF THE WEEK

#### Hu Yaobang on Inner-Party Contradictions

■ In his speech at a forum on improving the Party's style of work, General Secretary Hu Yaobang categorized the numerous contradictions that exist in the Party into those between different views on work and understanding, and those between personal interests and the interests of the Party and the people. The main deviation in the Party currently, he said, is the second type of contradiction, and inability to handle it has resulted in a flabbiness in the Party's style of work (p.12).

#### **Premier Zhao on Reform**

■ Premier Zhao Ziyang answers questions from the editorin-chief of *Nedeljne Informativon Novine* of Yugoslavia on guidelines and results of the current economic reform in China (p.14).

#### Suzhou — An Ancient City Modernizes

■ Suzhou, which celebrates its 2,500th birthday in October, is trying to preserve its ancient charm in the process of modernization (p.18).

#### Family-Planning Policy: Firm and Unshakable

■ Since China introduced family planning in the mid-1970s, its excessive population expansion has been checked, and population growth is now better co-ordinated with China's economic and social development (p.4).

#### **Believers Pray for World Peace**

■ Buddhists, Taoists, Moslems, and Catholics and Protestants in China held prayer services for world peace as part of their activities to mark the International Year of Peace. These activities were matched by a council meeting in Beijing of International Council of the World Conference on Religion and Peace (p.23 and p.25).

#### Pavarotti Fever in Beijing

■ The Italian "King of the High Cs" Luciano Pavarotti overwhelmed Beijing audiences with his matchless performances (p.31).

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# **Family-Planning Policy Improves**

by Xin Lin

Friedrich Engels, one of the founders of Marxism, predicted that some time in the future, if the production of human beings ever had to be readjusted as had the production of materials, then it would be in the communist society and the communist society and the task could be accomplished without any difficulty. This prediction has been confirmed by China's practice in family planning.

Failure to hold the rapid population growth in check was among the past mistakes committed in China's socialist construction. In the mid-1970s China began to pay attention to this problem. Particularly since 1979, China has advocated that one couple have one child only. This policy has effectively curbed the growth in population. According to the Sixth Five-Year Plan (1981-85), China's population size at the end of the plan period would be 1,060 million, but actually the figure reached only 1.046.39 million (an increase of 59.34 million). The average annual natural growth rate was 11.74 per thousand, so the target for keeping the growth rate at 13 per thousand was realized.

Of course, the task was not easily accomplished. Between 1981 and 1982, the rate of increase in China's population rose from a slide in the previous years, exceeding the planned target. The actual population growth rate in 1981 was 14.55 per thousand and

that in 1982 was 14.49 per thousand.

The reasons for the rise in the growth rate were as follows: First, although late marriage encouraged before 1980, those who were born during the first population boom between 1950 and 1957 were in the marriage and child-bearing age. Second, China began implementing a new Marriage Law in 1981. The law stipulates the minimum marriage age for men is 22 and women, 20. Large numbers of young people got married and gave birth in those two years. Third, the rural economic structure underwent rapid changes during those two years and the household contract responsibility system that linked payment with output was widely adopted; family-planning work, however, did not keep pace with this situation. As a result, for a while in some places there was no one in charge of family-planning and some people took a laissezfaire attitude towards birth control.

Between 1983 and 1985, the population growth rate went down again. The natural growth rate was 11.54 per thousand in 1983, 10.81 per thousand in 1984 and 11.23 per thousand in 1985. The reasons behind this downward trend were varied. For one thing, more attention was given to practical measures, as well as to publicity, and education on the significance of family planning. In addition, people entering the marriage and child-bearing age in the latter years were those born

during the 1958-61 low-birth-rate period.

In the past five years, excessive population, growth has been brought under control and population is developing more and more along planned lines. This situation is not only important to China's current socialist construction and the rejuvenation of its economy, but also has created conditions for a favourable cycle of population reproduction in the years ahead.

In the meantime, China's family-planning work is being improved step by step. Attention has been paid to overcoming commandism as practised in some places; policies are more realistic and reasonable; progressively, certain families are allowed to have two children. In application, however, urban families face stricter rules than with those in the countryside. An even more flexible policy is in effect in the minority areas. For example, a couple who has one child which is physically defective owing to other than genetic factors can have a second child. In certain villages, couples who have a girl baby are allowed to have a second child. In sparsely populated border areas, mountainous districts and fishing villages, people are generally allowed to have two children on condition that the births are appropriately spaced. The population policy, which accords different treatment to people of different social, economic and geographical position, is warmly supported, but is still in an



experimental stage. In future the policy for allowing two children will gradually be broadened with the reduction in the number of families having several children.

Every year of the Seventh Five-Year Plan period (which begins this year), will see a baby boom because more than 25 million people will come of marriage and child-bearing age. In such a situation, however trying, it is necessary to keep the average annual population growth rate within 12.5 per thousand. As long as we work carefully and further improve our policies, we can continue to check population expansion.

At this point, some readers may find it incomprehensible and even feel indignant that the Chinese people should be restricted by government policy from having children. Yet it is not hard to imagine what would be the case if China did not control its population. This country is now feeding 22 percent of the world's total population by farming only 7 percent of the world's total area of cultivated land; without population control, it would be wellnigh impossible for China to achieve the four modernizations within the projected time and would place a heavy burden on the whole world as well. So China's policy of implementing family planning and synchronizing population growth with its plan for economic and social development is firm and unshakable.

# Zhao Reaffirms Ties With Romania

China and Romania have pledged to strengthen their relations in all fields, according to a press communique issued in Bucharest on July 6 at the end of a five-day official goodwill visit there by Chinese Premier Zhao Ziyang.

The communique indicates that both parties are satisfied with the smooth development of ties between the two Parties, two countries and two peoples. This relationship, the communique said, has been based on the principles of respect for national independence and sovereignty, equality, non-interference in each other's international affairs and mutual benefit.

On international affairs, which was one of the main topics of Zhao's talks with Nicolae Ceausescu, president of the Socialist Republic of Romania, the two countries share "identical or similar" views on major current world issues. said communique.

Both China and Romania are concerned about international tension and agree that the arms race and the deployment of new nuclear weapons in Europe will increase the danger of a world war.

The two leaders reaffirmed their countries' willingness to work with the people of other countries for an immediate end to the arms race. They also stated their opposition to interference in the affairs of other countries and to the use or threat use of force against others, the communique noted.

The leaders spotlighted the urgency of solving the debt problem and other economic problems facing the developing countries, eliminating underdevelopment and establishing a new international economic order based on equality and fairness between states.

The communique stated that

China and Romania call for participation of small and medium-sized non-aligned and developing countries in the international arena and in the settlement of major international issues. Both Zhao and Ceausescu announced their hope that the summit of non-aligned countries to be held in Zimbabwe later this year will help reinforce the unity among the non-aligned countries as well as their influence in the search for solutions to the world's problems.

The talks between the Chinese and Romanian premiers, the communique said, centred on bilateral trade and economic issues. They are said to have asked the economic departments of their respective countries to study new ways for steady increases in long-term trade and economic cooperation between the two countries.

# **Shares of Stocks In Beijing Store**

The issuance of stock shares in a company has in the past been denounced as a capitalist trait not fit for a socialist economy in China. But such a company—the Tianqiao Department Store Co. Ltd., the first joint-stock company in Beijing founded two years ago, has shown that investment with stocks have their place in socialism.

By the end of 1985 the company had a total sales of more than 70 million yuan (US\$23.3 million). It made a record of 30 million yuan in profits from last July to December, an increase of 35.4 percent over the same period of 1984.

"Though the company's turnover is unlikely to increase as much as we expected, for beginners, we are well aware of the benefits, "said Liu Fuzhen, the 28-year-old deputy manager of the department store. She estimated a profit of 46 million yuan in 1986, about 6 million yuan above the average.

Tianqiao's success indicates that companies that sell shares, a form of investment that has held a powerful role in capitalist societies, can be useful in socialist construction as well.

Situated in the Oianmen area. the busiest shopping centre in Beijing, the Tianqiao Department Store has established itself as a respectable market for high quality service and products since the 1950s. In the spring of 1984. when China's urban economic structural reforms had just taken place, an open question to the workers posted in the department store: "Do we want to the store to flourish?" One idea that had been milling about in the minds was to link all the retail shops selling industrial goods along Qianmen Road into a new economic entity by issuing stocks.

They were encouraged by the state, and the Tianqiao-based company took shape. As soon as the Beijing Industrial and Commercial Bank issued more than 3 million shares for the store, 13 state-owned organizations and collective units began to buy

shares, including the Sichuan Heat and Power Plant in Sichuan Province and the Stationery Centre of PLA Railway Corps.

"Since we have been issuing stocks, we have had more capital available to pay for larger purchases, and to build two new warehouses and establish a welfare fund for the workers," Liu said.

Specific rules were written in which the contract responsibility system was introduced. The age-old system of equal pay for unequal work was abolished, and the socialist principle of distribution according to work was implemented. Based on the principle that diligent workers would be rewarded and the lazy ones reprimanded, workers' incomes have been rising in light of their performance.

The company now has totally divorced itself from the state commercial establishment and no longer relies on state support. Although it is still required to pay taxes, it no longer has to turn over its profits as in the past. This means that the company bears full responsibility for its own gains and losses, and the workers' wages, bonuses and welfare

benefits are commensurate with its own abilities and actual contributions.

"The pattern has proved to be positive in arousing the enthusiasm of the shop assistants as they have linked themselves with the performance of the business and have a high sense of responsibilities," Liu said.

Asked what the nature of the company is, Liu replied, it is based on a combination of the principles guiding state-owned, collective and self-employed enterprises.

The board of directors functions as the highest authoritative organ of the company and makes the decision regarding the company's work. It has the right to appoint or dismiss managers and deputy managers. Its members are selected from representatives of the largest shareholders.

Free from government control, the Tianqiao Co. Ltd., has developed various supply and marketing channels that organize sales between different regions and different trades. This has cut down the number of intermediate links.

In less than two years, the company has established business relations with more than 300 manufacturing and trade organizations in 22 provinces and municipalities. In an effort to make itself more competitive, the company has signed long-term contracts with famous-brand producers, such as the Yingkou Washing Machine Factory in Liaoning Province and the Suzhou Electric Fan Factory in Suzhou. Meanwhile it has put 500,000 million yuan towards the Beijing-Guangzhou Imported Goods Liaison Department in order to enliven that market.

"We are still feeling our way forward," Liu said, maintaining that the company will issue another 3 million shares this year to expand business. "There may be setbacks as we have no ready model to follow, but the ice has been broken," she said.

The official newspaper Renmin

Shop assistants in the Tianqiao Department Store warmly receive their customers now that they have linked themselves with the efficiency of the store.



Ribao (People's daily) recently reported that Beijing municipal authorities had decided to launch citywide discussions on the capital's service trades. Municipal Communist Party Committee Secretary Li Ximing called on all service trade officials to "pull their socks up" by pushing ahead with management reforms.

"The reform are the key to improving the attitude of service workers in the capital," Li said.

The municipal authorities have agreed that businesses should be given more decision-making power, while the "iron rice bowl" system, under which even the laziest workers cannot be fired, should be smashed. Li praised the Tianqiao Department Store and called on other companies to learn from it.

by Wang Xianghong

# **Construction Bank Aids Housing**

The Chinese People's Construction Bank will earmark 1 billion yuan this year to support land development and commodity housing construction, according to a recent bank decision.

Since the Third Plenary Session of the 11th Party Central Committee in 1978, the various local branches of the Chinese People's Construction Bank have been pooling idle funds for urban housing projects. To date, they have granted a total of 3.9 billion yuan in commodity housing loans to various urban land and housing development enterprises to build 89.9 million square metres of floor space. Of the 56 million square metres already completed, 48.5 million square metres have been sold. These loans have played a positive role in promoting the reform of the country's construction industry as well as in improving housing conditions for the urban population.

For quite some time, urban housing has been built exclusively with state investments and distributed at very low rents. Practice has shown that this policy has aggravated the financial burden on the state, sapped the construction industry of vitality, hindered the improvement of housing for city dwellers, and encouraged some unethical tendencies in the construction and distribution of housing.

Until recently, housing has been considered by many as a kind of welfare, not a commodity. But the Third Plenary Session of the 11th Party Central Committee steered away from this traditional view. Since then, the state has decided to reform the management of the construction industry and capital construction. It has established development companies to look after the overall development of real estates. According to the decision, the large and mediumsized cities will be urged to build more houses for subsidized sales instead of distribution at low rents. The Construction Bank will back these efforts with financial support.

In granting loans to housing projects, the bank will give priority to commodity housing construction in large and mediumsized cities, as well as housing projects aimed at revamping worn-down urban areas. Over the last few years, the Construction Bank has given financial aid to housing development enterprises to sell 2.26 million square metres of housing to individual families and to introduce new housing rent standards for another 1 million square metres.

The Chinese People's Construction Bank not only functions as an ordinary bank, but also looks after the financial affairs of capital construction. Therefore, it is able to make full use of both roles to make greater contributions to alleviating the urban housing shortage.

#### China & the World

- Sino-Portuguese Press
  Communique on Settlement of Macao Question.
  China and Portugual will
  hold the second round of
  talks on the settlement of the
  Macao issue in September
  1986 in Beijing and the two
  sides were satisfied with the
  results of the first round of
  talks ended on July 1, 1986.
  The communique said that
  the talks proceeded in a
  friendly and cordial
  atmosphere.
- on Nicaragua. China is opposed to the recent vote by the US House of Representatives to provide assistance to anti-Sandinista guerrillas in Nicaragua, a Foreign Ministry spokesman said July 2. "The act constitutes a violation of the norms governing international relations and will have a serious impact on the development of the situation in Central America," the spokesman said.

"We believe that the principle of non-interference should be fully respected by all parties concerned and the problems between the United States and Nicaragua should be resolved through peaceful negotiations on an equal basis," the spokesman added.

No Difficulty to Restore Party Relations With East Europe. A Foreign Ministry spokesman said recently that the CPC has had no relations with the Communist Parties in East European countries, except Romania and Yugoslavia. "For China there is no difficulty to restore such relations," he said.

**US-SOVIET UNION** 

#### **Soviet Arms Proposal Weighed**

Despite the lack of progress during the latest round of US-Soviet arms talks, both sides appear to be inching towards compromise.

The fifth round of US-Soviet arms talks ended on June 26 after 50 days of discussion, with the Soviet Union putting forward a new disarmament proposal. US President Ronald Reagan said that the new Soviet offer could herald serious efforts on the part of the Soviets to cut down on arms and could be "a turning point" in the arms talks.

The Soviet proposal includes a 15-year mutual commitment to the 1972 anti-ballistic missile (ABM) treaty, and limitation on US Strategic Defensive Initiative (SDI) research. Furthermore, the proposal calls for reductions in offensive weapons, including land-based intercontinental missiles, submarine-based missiles and heavy bombers. These would be kept at an equal level while their carriers would be cut to 1,600 and warheads to 8,000. The proposal states that the settlement on the issue of medium-ranged missiles would not be linked to that of the above weapons.

The Moscow offer is widely viewed as a sign of change in the series of Soviet arms control proposals previously put forward. Although consistently opposing Ronald Reagan's "Star Wars" scheme, the Kremlin now has given up its insistence on the US abandonment of the programme as a precondition to the reduction of strategic nuclear weapons, and would allow the United States some laboratory research. Moreover, with its proposal on cutting down on long-range missiles and bombers, the Soviets have cast away their requirement that US medium-ranged missiles

and bombers in Europe and aircraft carriers be included as strategic weapons. But they did demand a 15-year commitment to the ABM treaty on both sides, indicating their aim to slow the United States in its development of strategic defensive weapons.

Western observers were surprised by the Soviet offer, made soon after Reagan announced his intention to ignore the Strategic Arms Limitation Treaty II (SALT II). Many believe the proposal was meant to continue US-Soviet arms talks, limit as much as possible the development of SDI and preserve the existence of ABM treaty, which would be endangered with the cancellation of SALT II. Furthermore, the Soviet Union's move would demonstrate to the world its flexibility in approaching arms control and win it time in order to keep itself in line with the United States in strategic forces.

The US response to the Soviet proposal was unexpectedly positive. But at closer look, the reasons

become clear. Moscow's proposal conforms with Washington's view that there is no link between the reduction of strategic weapons and SDI, and that SDI does not violate the ABM treaty. Moreover, the Reagan administration has been under heavy pressure from Congress at home and Western allies abroad ever since it declared it would not stand by SALT II. Therefore, its ready approval of the Soviet offer will deliver it from the present unfavourable situation and help it go on bargaining with Moscow. Reagan doesn't want to ask for trouble as mid-term congressional elections are approaching.

Yet, it is generally believed that the positive posturing of the two countries has so far only created a reconciled atmosphere, while in fact neither knows for sure what sort of arms reductions will be accepted. IN fact, it is hard to imagine the two superpowers coming to any formal agreement at this point. The Kremlin is preoccupied with its request for US commitment to the ABM treaty for at least 15 years, and hopes to curb SDI research. The White House, on the other hand, has stressed the need amendments to the Soviet proposal before it would be accepted.

by Zhang Liang

OPEC

#### Measures to Stabilize Oil Prices

The two factions of the Organization of Petroleum Exporting Countries meeting in Yugoslavia adopted a conciliatory stance and attempted to reach an agreement on oil policy in the face of falling oil prices.

Oil ministers from the Organization of Petroleum Exporting Countries (OPEC) met June 25-July 1 on the Adriatic island of Brioni, Yugoslavia, in a renewed attempt to halt the decline in

world oil prices. At the heart of the deliberations was an appropriate production ceiling that would keep worldwide oil supply and demand in balance, thus halting the slide.

At this meeting all the members favoured an oil production ceiling of 17.6 million barrels a day; taking fluctuating demand of different seasons into account, production would be 17.4 million barrels a day during the third quarter of this year and 17.9 million barrels a day during the fourth quarter. At the end of this period, the price of an average barrel would rebound to US\$17 or US\$19 from US\$11.5.

However, the national production quota of each member nation remained unfixed. On June 28 Subroto, minister of mining and energy of Indonesia was entrusted with the responsibility of developing a plan for national production quotas. After two days of talks with the oil ministers of all the member countries, he submitted a proposal at the June 30 meeting, but the question could not be solved because the participants needed to report to their own governments first. The meeting will resume in late July.

The issues facing OPEC are gradually being resolved. In March a price war was ruled out and agreement reached that production would be reduced in an attempt to stabilize prices. At the April meeting, ten of the 13 member nations agreed on the

production ceiling for the latter half of the year in order to keep prices up.

Ever since oversupply became a problem in 1981, contradictions within OPEC have sharpened. In the past three years, the 13 nations have divided into two factions—a majority group headed by Saudi Arabia and a minority headed by Iran. But after this year's three meetings, the two sides have drawn closer together and the conciliatory trend is obvious. The majority faction agreed that overall production should be set at 19 million barrels a day and that the price of a barrel should rise by US\$5-7. This shows that they have agreed to renounce the price war and will cut production to boost prices. The minority faction compromised too. Oil Minister of Iran Gholam Reza Aghazadeh said before he left Brioni that Iran did not agree that the prices should be fixed at US\$17-19 per barrel, but was ready to accept that price range "as a first step towards attaining the US\$28 price." Libya seconded Iran's position.

OPEC's two factions tend to agree on this issue because all the member nations hope to avoid the losses resulting from falling prices. The price war, which continued

for more than six months, was a serious blow to both OPEC and non-OPEC nations. OPEC's share of the world market increased from 30 to 38 percent, the price declines were too costly for the organization. Western estimates of the losses suffered by OPEC range from US\$60 billion to US\$100 billion. In a word, OPEC's revenues have increased as a result of enlargement of the oil market. On the contrary, revenue has dwindled sharply due to the steep decline in price.

OPEC's road over the past three years has been a tortuous one. Under the dual pressures of oversupply and price decreases, OPEC decided in March 1983 to cut production and maintain prices. But to do this, it had to withdraw from some markets, leaving them open to non-OPEC countries. Some OPEC members then reacted by increasing oil production and selling it at a discount, so the policy was not effective. Early last December, OPEC decided to maintain production and to cut prices. This too was a blind alley. Now OPEC has again decided to maintain stable prices and reduce production. This means an end to the price war. If this month's meeting is a success, oil prices will probably bounce back.

Observers believe that other nations can commit themselves unequivocally to production quotas and price levels only if OPEC first put its own house in order by agreeing to enforce effective production quotas among its member countries.

However, serious barriers will still have to be overcome at the next meeting. The production quota of each member has been hovering at low levels, and some member nations, heavily indebted, want to increase their production quotas. Iraq and Iran, who have been fighting for six years, have similar production capabilites. In 1983, when the first production quotas

OPEC oil ministers meeting at Brioni, Yugoslavia.



were parceled out, Iraq's quota was half of Iran's because Iraq's transport capability was weak. Now Iraq wants to increase its output, but Iran has vowed to match any increase in the Iraqi quota by two barrels to one. Thus the war between Iraq and Iran has

been a major obstacle to reaching an OPEC agreement. As Saudi Arabian Oil Minister Ahmed Zaki Yamani told reporters, "Our ultimate aim is to return oil prices to US\$28 a barrel, but this will take a long time."

by Jiang Hong

by Jiang Hong

#### BRITAIN

#### S. African Sanctions: Yes or No?

The statement issued after the June 26-27 summit meeting of the European Economic Community on the South African issue simply reiterated the stand of the British government — Further sanctions against South Africa will have to wait.

The two-day summit meeting of the European Economic Community at the Hague on June 26-27 was spent mostly discussing whether to take further economic sanctions against the South African authorities.

The issue has been met with fiercely differing opinions from Britain, the Federal Republic of Germany, Portugal and the other nine member countries. In order to show unity in the EEC on important issues, the meeting came up with a statement that was nothing but a compromising product designed to shelve the issue for another three months.

Britain is unwilling to apply further economic sanctions against the South African authorities. It therefore has met with enormous pressure from other countries and the Conservative Party itself. The South African issue has become a focus in Britain. It has caused heated debate in Prime Minister Margaret Thatcher's government.

Diplomatically, a special envoy of the Archbishop of Canterbury and Foreign Secretary Denis Healey of the British Labour Party recently went to South Africa. At the same time, the leader of South Africa's Banned African National Congress (ANC), Oliver Tambo, came to Britain. During his stay in England, Tambo talked with th British Foreign Office Minister Lynda Chalker. It was said to be the first dialogue between British officials and the ANC. All this gesture led some to believe that a change in attitude was on its way—but that remains to be seen.

The British government claims it would not achieve any positive results by adopting further economic sanctions against South Africa. Instead, the South African blacks and the neighbouring countries would be the first to fall victim under the sanctions, it said. But it is common knowledge the real reason behind a curb on further sanctions is the deep relations between Britain and South Africa.

About £11 billion from Great Britain is being invested in South Africa each year, accounting for one-third of the total foreign investment of South Africa. In 1984, Britain exported about £1.2 billion of goods to South Africa

and imported £700 million of goods from the country. About 400 British companies registered on the London stock market have subsidiary bodies in South Africa. The Bank of England is the main deputy bank in Britain for selling South Africa's gold. Some sources predicted that at least 120,000 Britishers would become unemployed if the government took economic further sanctions South against Africa. Furthermore, about 1 million South Africans hold British passports.

last October's summit At meeting of the British Commonwealth in Nassau, the capital of the Bahamas, Britain withstood pressure by most of the other member nations and only made a few concessions. The conference decided to send the Commonwealth Eminent Persons Group to South Africa in an effort to persuade the South African authorities to give up its racial segregation system of apartheid. If no results appeared after six months, the British Commonwealth would adopt measures.

But six months have passed and the South African authorities have only become more stubborn with their system of apartheid. The British Commonwealth is to meet in London in early August to discuss the sanctions issue—so Britain will have to face up to its promises.

At the Hague meeting, the EEC decided to send the British Foreign Secretary Sir Geoffrey Howe to South Africa to ask the South African authorities to release the famous black leader Nelson Mandela and other political leaders. They also stated that if no positive results were seen within three months, new measures would be adopted. But these were the same words put forth at Commonwealth the Nassau conference.

It is believed that Howe's task is next to impossible as the South African authorities are not even close to compromising on their racist policies. Some black leaders in South Africa have said they won't meet with Howe. British Labour Party leader Neil Kinnock

has said he believes the British government has extended the life line of racial segregation by not taking a stronger stand sooner.

by Li Yunfei

**PERU** 

#### **Garcia Pursues Sound Foreign Policy**

In the past year, Peru's role in the international political arena, and particularly in Latin American affairs, has greatly increased.

Deru has over the last few years toughened its stand against intervention in Central Amercian affairs and for the Contadora Group's peace efforts. Two days after Peruvian President Alan Garcia took office on July 30, 1985, Peru and 13 other Latin American countries signed the Lima Statement, which condemns the ever-intensifying arms race and calls for Latin American integration and co-operation. Together with Argentina, Brazil and Uruguay, Peru established the Lima Group to support the Contadora Group's efforts. Garcia recently reiterated his desire to help bring peace to Central America, and his strong opposition to US military aid to the contras in Nicaragua. Criticizing US policy in Central America as "extremely mistaken," he said that "the United State has no reason whatsoever to carry out militarily intervention in Nicaragua," and he said his government would break off diplomatic relations with any country that invaded Nicaragua.

Peru upholds the policy of peaceful coexistence and has made great efforts to resolve its disputes with Ecuador and Chile on the basis of mutual understanding and accommodation.

Last October, the governments of Peru and Ecuador signed agreements for the promotion of cultural exchanges and technical co-operation. The two also signed a joint plan on the use of the Amazon River, thereby ending an old territorial dispute which since 1941 had resulted in frequent military clashes along their border on the upper reaches of the river.

Last year's exchange of visits by the Peruvian and Chilean foreign ministers was seen as important in building mutual trust, which has been lacking between Peru and Chile since the two clashed 100 years ago over a nitrate mining zone along the Pacific coast.

Peru and Cuba also resumed diplomatic relations at the ambassadorial level in January, ending a dispute caused by the fleeing of 10,000 Cubans into the Peruvian embassy in Havana in 1981.

In a further bid to improve relations with other Latin American nations, Peruvian leaders, including President Garcia, have paid or will pay visits to Cuba, Ecuador, Chile, Argentina, Uruguay, Panama, Bolivia and Mexico.

In addition, Peru has pushed for steady development in its foreign relations throughout the world. It has established diplomatic relations with 12 Asian and African countries since last August and has forged new trade ties with a number of Middle East and

African nations. There has also been a remarkable increase in Peru's commercial activities with Arab countries.

The Peruvian government supports the people round the world in their struggles for liberation and national independence. It has condemned the South African regime for its apartheid policies and repeated invasions of Zimbabwe, Botswana and Zambia. Last August, Peru closed its consulate in Capetown, South Africa, to demonstrate its opposition to racial discrimination. It also issued a strongly-worded statement denouncing the US raids on Libya and terrorism in all forms.

The Peruvian government advocates the establishment of a nuclear-free zone in the South Pacific, favours the integration of Latin America and endorses economic co-operation by members of the Andean Pact Organization. Peru has also proposed the establishment of a Latin American monetary fund to guarantee access to financial aid from international institutions during the present foreign debt crisis.

Peru's suggestion that only 10 percent of a country's exports earnings be used to repay debts has been endorsed by many other Latin American countries. Luis Alva Castro, president of Peru's Council of Ministers, said, "Peru will never accept, enter into negotiations on, or tolerate a situation where we have to mortgage our national sovereignty." He called on debtors and creditors to share responsibility and work together towards the solution of present foreign debt crisis.

Alva Castro outlined the principles of his government's foreign policy as opposition to imperialism, support for non-alignment, Latin American integration, worldwide unity and self-determination.

by Yan Yuezhen

# **Handling Inner-Party Contradictions**

This is the second part of an important speech made by Hu Yaobang, General Secretary of the Party Central Committee, at a forum on rectifying the Party's style of work on April 9 this year.—Ed.

by Hu Yaobang

In my view, correctly handling two different types of contradictions within the Party is a major topic concerning our Party's construction.

We should not forget the brilliant theoretical work On Contradiction Comrade Mao Zedong wrote when he was at the height of developing Marxist theories. This work of his has expounded the basic methods for us to understand all things in the world, which he says are full of contradiction. The struggle between the contradictory aspects in every single thing pushes its development forward. Without contradiction nothing would exist. Our Party also develops and advances in the struggle between contradictions. If there were no contradictions in the Party and no ideological struggles to resolve them, the party's life would come

With regard to this fundamental question of understanding and changing the world, some comrades, particularly the young, are often at a loss what to do when they come across practical problems. Consciously or unconsciously they often stand in awe of, evade, or even cover up contradictions. As a result, they often put themselves in a passive position and don't know what course to take.

Comrade Mao Zedong wrote another theoretical work in the 1950s [i.e. On the Correct Handling of Contradictions Among the People published in 1957] in which he classified the contradictions in socialist society into two types [those between ourselves and the enemy and those among the people]. This is also brilliant

thinking. But, first, although he mentioned here the successful historical experience in using correct methods to solve inner-Party contradictions, he did not further elaborate on the inner-Party contradictions under new historical conditions. Second, although he pointed out early on in his work *On Contradiction* that there are both antagonistic and non-antagonistic contradictions within the Party, and repeated it time and again in his later works, he himself seriously mixed up the

Building socialism is a more arduous job, as there is no successful experience ready at hand. This calls for the skill at pooling the wisdom to formulate correct policies and the skill at handling contradictions between different views on work and understanding.

contradictions of different nature, especially those within the Party, in his late years. On many questions, he even turned things upside down, culminating in launching the "cultural revolution" which brought the Party and state catastrophic damage that could have been avoided.

Generally, the question of inner-Party contradictions should be dealt with in all seriousness, specifically, under presant-day circumstances when we are carrying out a series of reform

policies, it is even more important to deal with inner-Party contradictions seriously.

In accordance with comrade Mao Zedong's line of thinking and our practice today, we may classify the numerous con tradictions that exist all the time in our Party into two types, in terms of their contents and manifestations. One is the contradiction between different views on work and understanding, and the other is the contradiction between personal interests and the interests of the Party and the people.

Let me first talk about the first type of inner-Party contradiction—the contradiction between different views on work and understanding.

Revolutionary work is an extremely arduous project. Generally speaking, during prolonged struggles, contradictions between different propositions and different views will often occur and faults in work are also unavoidable.

Building socialism is a more arduous job, as there is no successful experience ready at hand. This calls for skill at pooling the wisdom of the whole Party to formulate correct principles and policies and, at the same time, skill at handling the contradictions between different views on work and understanding.

It was precisely in his late years that Comrade Mao Zedong failed to deal well with this type of contradiction within the Party. As a result, this created a certain atmosphere: Not only was there unwillingness to listen to different views, but good opinions that

disapproved of or did not completely agree with his propositions were labelled "right deviationist," "taking the capitalist road" and "anti-Party."

Having earnestly drawn grave lessons from this mistake, our Party now adopts completely different methods to solve the contradictions between different views that are bound to occur frequently in work and understanding. 1) Each important policy decision is made after repeated discussions; 2) Party members are allowed to air their views freely and criticize any individuals at Party meetings, and even if they are wrong, they are still accorded protection; 3) Those who have made errors in work are allowed to correct them, provided they have tried their best; 4) Any Party member who does not agree with Party the Central principles Committee's and policies is allowed to reserve his or her opinions as long as he or she does not act against these principles and policies and also tries to implement them with a will.

The contradictions between different views on work and understanding in the Party are in general non-antagonistic. Is it possible for them to change into antagonistic contradictions? Of course it is possible, when under such circumstances: 1) A Party member not only ideologically has reservations about the Party Central Committee's principles and policies but boycott them in work; 2) The person with different views propositions advocates policies that go against the Party Central Committee's outside the Party organization. These acts have violated the Party's organizational principles and the Party's disciplinary code as well. Only under these two circumstances can the contradictions change into antagonistic ones and the people involved will be dealt with seriously or even be expelled from the Party.

Now, let met talk about the other type of inner-Party contradiction — the contradiction between personal interests and the interests of the Party and the people. What does this mean specifically?

We ask each Party member to subordinate his personal interests unconditionally to the interests of

The main deviation in our Party currently is that we lack adequate understanding of and a clear-cut stand towards the contradiction between personal interests and those of the Party and the people, and dare not solve antagonistic contradictions resolutely.

the Party and the people, This is the basic demarcation line between a Party member and a non-Party member. The reason why our Communist Party members are worthy of the title of advanced elements of the preletariat is that they will not only place the interests of the Party and people above those of their own at any time and under any circumstances, they can also voluntarily sacrifice their personal interests safeguard and realize the interests of the Party and the people when necessary.

This does not mean that our Party organizations need not care for the Party members' personal interests. As long as it is possible. Party organizations should show concern and care for the party members' personal interests and try to combine appropriately the Party members' personal interests with the interests of the Party and the people.

However, at present the case is that we often see many Party members, particularly some responsible Party members, who have failed to withstand this test.

Some Party members do not care about the interests of the Party and the people at all; and some, who are indifferent to the interests of the Party and the people, are peroccupied with their own gains and losses.

There are still some Party members who are obsessed with individualism and place their personal interests above the interests of the Party and people. Some have even seriously violated the law and discipline by abusing their power to seek personal gain. These is abominable behaviour that runs counter to a Communist Party member's basic stand.

Concrete analysis should also be made with regard to contradictions in this field. In general, most of these contradictions are nonantagonistic, and minor errors should not be taken as serious mistakes, nor should temporary faults be regarded as mistakes beyond remedy. But, we must make it clear, the contradiction between the Party and those who have seriously violated the law and discipliary code by abusing their power to seek personal gain and gravely damaged the interests of the Party and people to satisfy their personal or their units' or departments' interests is antagonistic contradiction. This is a very important line of demarcation. Only when this demarcation line is clearly defined can we differentiate antagonistic problems from the faults caused by different views on work and understanding.

In my view, the main deviation in our Party currently is not that

(Continued on p.32)

# **Zhao On Economic Reform**

Premier Zhao Ziyang answered questions raised by Mirko Dekic, editor-in-chief of Nedeljne Informativon Novine of Yugoslavia, during an interview on July 7, 1986.

Question: Comrade Premier, would you please say something about the orientation and guidelines regarding the reform of China's economic structure and the achievements made in this respect?

Answer: China's economic reform started with its rural areas towards the end of the 1970s. In the past two years, the focus of reform has shifted to urban areas, where the reform is under way in three closely interrelated fields: first, enhance the vitality of enterprises: second, develop a market system and third, set up a macroregulating mechanism and improve it and, in particular, give play to the law-of value and the various economic levers.

We are of the view that it is essential to increase the vitality of enterprises if a planned commodity economy is to be developed. Socialism is a dynamic system which requires the bringing into play of the initiative, enthusiasm and creativity of the workers and management personnel of enterprises. The new economic structure we are going to set up will be a structure capable of fully invigorating enterprises. It will grant enterprises roughly the same conditions for competition and let them assume the sole responsibility for their own profits and losses as well as the power of selfmanagement and the capacity to accumulate funds, transform and develop themselves.

Reform is a gigantic undertaking. We are going to carry out the reform step by step and in a coordinated way in the light of actual needs and possibility, having in mind both the overall plan for reform and the solution of the pressing issues during a given period of economic development. This will be a gradual process. We will take steady and firm step towards the general orientation of reform.

The reform is under way in three closely interrelated fields: first, enhance the vitality of enterprises; second, develop a market system; and third, set up a macro-regulating mechanism.

As to the progress already made in the reform, I wish to state one point: China's Sixth Five-Year Plan, namely, the Plan for National Economic and Social Development (1981-85), has already been fulfilled. Over the past five years. China's total output value, total industrial and agricultural output value, GNP and national income have all increased at an average annual growth rate of about 10 percent, whereas in the 28 years from 1953 to 1980, the average annual growth rate was between 6 and 8 percent. The Sixth Five-Year Plan was fulfilled with greater success than the previous plans. This shows that the new

development policies and economic policies we have adopted conform fairly well to reality and that our economic structural reform has yielded initial success.

Q: What changes have taken place in China's urban and rural areas as a result of the reform in recent years? What status do the peasants and enterprises enjoy in China at present? To what degree do they assume the sole responsibility and how much are they subject to state measures? **A:** The reform in the rural areas has been going on for 7 years, during which the system of collective farming by communes: and brigades was changed to the contracted responsibility system: on a household basis with remuneration linked to output. and the system of state purchase and sale of farm produce changed to that of order-placing economic contracts or market transaction first change has been completely effected in all rural areas. The second change initiated last year is not yet perfect and needs to be further substantiated. but still it is being carried out in all rural areas. Fundamentally speaking, the relations between the state and the peasants have change enormously. In the past the peasants worked only to fulfil production quotas assigned to them by the collective, but now they are working to honour economic contracts or to meet the market demand directly. This is why the rural economy has become more vigorous and the

peasants are more enthusiastic than never before. Over the past five years, the total agricultural output value continued to grow at an average annual growth rate of 11 percent, and the annual per capital income of rural residents went up by 14 percent, all of which are unprecedented in Chinese history.

When it comes to the urban reform, the first thing many foreign observers often notice is the emergence of the individual economy in China. Indeed, there are now 4.5 million selfemployed labourers in China's towns and cities, playing an indispensable part in making good omissions and deficiencies. However, the individual economy accounts for a very small proportion of the whole national economy after all: less than 1 percent of the total industrial output value and 15 percent of the total turnover from the retail and service trades. Therefore, it is the reform measures we have taken with regard to the public-owned enterprises that are the decisive factors in the ever-thriving urban economy in recent years. The principal measures are: to enlarge the decision-making power of enterprises, lessen government's administrative intervention in their affairs, reduce the proportion of mandatory planning while expanding that of guidance planning, increase market regulation and relax control over the prices of small commodities, allow free transactions on the market of means of production and means of subsistence that are outside the state's plan, take initial steps in changing the system of state-owned enterprises delivering profits to the state to the

system of taxation, and the system of appropriating funds for the capital construction of enterprises to that of providing loans by banks, remove barriers between regions and departments and create conditions for enterprises to develop lateral economic ties with regard to capital, technology,

At present, our policies towards small public-owned enterprises are more flexible, and by comparison, big state-owned enterprises still lack vigour, a problem we will continue to tackle.

production, circulation, etc. At present, our policies towards small public-owned enterprises are more flexible, and by comparison, big state-owned enterprises still lack due vigour, a problem we will continue to tackle.

It is our view that microflexibility and macro-control are two inter-related aspects, and neither should be given prominence at the expense of the other. There will be gradual transition from direct to indirect state control over enterprises.

Q: Why does China want to go in for joint ventures with foreign partners? What experience do you have in this respect? What forms does China's economic co-operation with other developed countries take?

**A:** At present, there are over 2,500 Chinese-foreign joint ventures, Chinese-foreign co-operative en-

terprises and exclusively foreign invested enterprises. Arrangements are now being made to set up 3,800 similar enterprises. Allowing and encouraging foreign investments is one of the important elements of China's policy of opening up to the outside world. Closed-door policy cannot possibly bring about modernization and is not in the interests of the Chinese people.

In using foreign capital, we follow the principle of management at different levels under unified planning. For the purpose of bringing greater convenience and benefits to foreign investors, China has established four special economic zones and opened up 14 cities and some other places along China's coastal areas. However, this does not mean that other parts of China are not open to the outside world. Of course, since the above-mentioned zones, cities and places along the coastal area are economically developed regions in China with convenient transport facilities where foreign investment involves simplified procedures and enjoys preferential treatment. some 80 percent of the abovementioned 2,000 or more enterprises with foreign investment are situated in the coastal areas.

It is true that there are some inconveniences in running factories in China. However, low wages and low cost in China with its vast territory and rich resources are great attractions to foreign investors. In the past, we failed to take full advantage of this possibility. Recently, we have been reviewing our experience in this respect and are preparing to give more preferential terms to foreign investors. When the new policies are gradually taking shape

When our new policies towards foreign investment have been developed, foreign businessmen will find their enterprises established in China truly competitive.

# With the reform of our economy, the functions of the government will change somewhat, and government departments should undergo structural reform alongside the personnel system.

and are being put into practice, our friends in business circles abroad will find enterprises established in China truly competitive.

China's open policy applies to the whole world, to capitalist countries, and socialist countries, to developed countries and developing countries as well. The scope of our economic cooperation with other countries is not confined to the use of foreign capital. We also attach great importance to international trade and co-operation in science and technology. China is willing to adopt all forms of economic and technological co-operation which are being practised in the world.

#### Q: In its economic reform does China run into any resistance at home and abroad?

**A:** There is bound to be some resistance in the process of doing anything. Traditional concepts. force of habit and bureaucratism are obstacles to reform. But as the great majority of people have already enjoyed and will continue to gain tangible benefits from the on-going reform, and as they are becoming increasingly through their personal experience that the old system impedes the development of production, improvement of their lives and prosperity of the nation, we have every reason to say that China's reform is a cause supported by the whole society. Some people may not have a good understanding of certain questions for the time being and are not quite accustomed to the changing situation. But they will come to understand it and adapt themselves to it.

I would like to point out that on the question of the fundamental principle of persisting in the orientation of reform, the leaders of the Chinese Communist Party and Government have no differences of view. The Decision on the Reform of the Economic Structure was adopted unanimously at the plenary session of the Party Central Committee.

I am very pleased to see that with the passage of time more and more comrades and friends abroad have come to understand and sympathize with China's reform. As for resistance, we regard the threat to world peace as an obstacle to China's reform. Therefore, we are determined to work together with all the peace-loving countries and people to oppose war and maintain enduring world peace.

## Q: Is China considering reform of its political structure?

**A:** In recent years, we have already done a lot to perfect socialist democracy and socialist legal system, and we will continue to do so.

We have a policy, namely, to build material civilization on the one hand and cultural and ethical civilization on the other. That is to say, people's outlook, concept of value and cultural quality will not only be adapted to the new situation of reform and opening to the outside, but also help to forestall and overcome new problems which might crop up under new circumstances.

With the all-round development of the economic restructuring, the functions of the government will change somewhat, and government departments and personnel system should also be gradually transformed, without which it is impossible to meet the demand of the economic restructuring.

# Q: How does China evaluate the reforms tried out by other socialist countries up to now? If possible, would you please state your view on the Yugoslavian reform?

**A:** In recent years, the tide of reform has surged forward in almost all the socialist countries. This is by no means an accidental phenomenon. We hope the reforms in all these countries will succeed in benefitting their people.

Yugoslavia is a pioneer of reform. Over the past thirty years, under the initiation of Comrade Tito, the Yugoslavian people have been unswervingly and persistently carrying out reform, for which the Chinese people express their admiration. China and Yugoslavia have different historical background, national tradition, and geographical position, so it is only natural that the reforms in the two countries have their distinctive characteristics. shows that both countries stick to the same belief of integrating universal Marxist principle with the actual conditions of their own countries. The Chinese people are encouraged by the achievements in Yugoslavian reform, and have been greatly enlightened by the experience in the Yugoslavian reform. I believe that the Yugoslavian people will surely overcome their temporary difficulties, and continue to win new successes in the course of their reform.

## Suzhou — 'Venice of the East'

The heavenly beauty of Suzhou, in Jiangsu Province, has attracted travellers since the time of Marco Polo. Today, hundreds of thousands of tourists visit this city each year. One of China's oldest, Suzhou celebrates its 2,500th birthday in October. City planners are working to retain its ancient charms while also conducting modern reconstruction.

#### by Our Correspondent Wei Liming

Suzhou, on the banks of the ancient Grand Canal that meanders from Beijing to Hangzhou, is one of China's oldest and most beautiful cities. As one ancient Chinese proverb puts it, "In Heaven there is Paradise; on earth, Suzhou and Hangzhou." Today, although factory chimneys far outnumber its ancient

pagodas, the city still retains its traditional charm as the "Venice of the East."

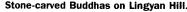
#### **Centuries of Prosperity**

Historical records indicate that Suzhou was settled more than 2,500 years ago. It rose to prominence in 514 BC when it became the capital of the Kingdom of Wu.

Blessed with a warm climate and strategically located on a major shipping route, Suzhou became an affluent city, with an economy based on agriculture, industry, and commerce. When Italian traveller Marco Polo visited Suzhou in the 13th century, he found a "great and noble city" with "6,000 bridges of stone." Its people used silk "to make satins and other fabrics," a reference to the industry that remained the city's mainstay until industrial diversification began after 1949.

Suzhou's prosperity continued through the Ming and Qing Dynasties (1368-1911); the city's tax revenues were 20 percent of the national total. Xu Yang's "Painting of Prosperous Suzhou," executed during the reign of Qing Dynasty Emperor Qian Long (1711-1799), is a vivid rendering of both Suzhou's affluence and its picturesqueness.

"The city has been fortunate in being incredibly well preserved," according to Wang Renyu, head of the Cultural Relics Management Office of the Suzhou Cultural Bureau. Seven sites have been placed under state protection for their historical value, while 22 are under the protection of Jiangsu Province, and 63 others







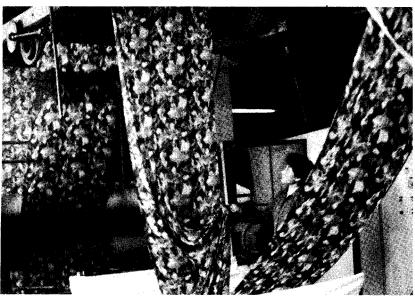
are under municipal protection. The sites include seven pagodas dating back to the Song Dynasty (960-1279).

Wang said another Song pagoda had been identified recently. Surrounded by a kitchen, it is only four metres high. Although its top, which extended above the kitchen roof, was vandalized during the "cultural revolution" (1966-76), the remainder is intact.

In 1982, Suzhou was designated by the state as one of 24 national cultural and historical cities. Wang said his bureau then conducted a complete survey and found that most of the city's 110 ancient temples, 69 gardens and canals traversed by arched bridges, and showcased in its lavish temples, old city towers and classic white-washed, black-tileroofed houses.

Wang said the celebration this October of Suzhou's 2,500th birthday should increase public support for protection of its historical and cultural relics — but he was quick to add that economic support is also needed. "Unfortunately, our bureau is in a financial pinch," Wang said. "For example, we don't have the money to help rebuild dilapidated ancient residences. All we can do is to try to dissuade owners from demolishing them. That is obviously not enough."

The softening workshop at the Suzhou Silk Printing Factory.



163 bridges, plus tens of thousands of old houses, had survived with little damage. More than 250 have since been put under state, provincial or municipal protection and some of them have been turned into museums.

In the course of its long history, Suzhou has undergone much renovation. However, its original layout remains basically unchanged. The Suzhou of today takes travellers back in time—its antiquity is hidden in its landscaped gardens, reflected in

#### **History in Stone and Music**

At the southern end of Suzhou's Renmin Road stands a yellow-walled temple complex, built during the Song Dynasty as an imperial school. It now houses the Suzhou Stelae Museum.

Museums devoted to stelae—carved, inscribed slabs of stone—are rare in China, according to Liao Zhihao of the museum. He said the Forest of Stelae in Xian is a treasure-house of calligraphy

from the Han to the Tang Dynasties, but the collection in the Suzhou museum includes local historical records, historical drawings, illustrations of ancient architecture, and calligraphy. It also has a collection of rubbings of lost stone tablets from the region.

Liao said the museum spent three years recovering 3,000 stone tablets scattered throughout the Suzhou area. Many were found to be of historical value but had been used as stepping-stones by residents or at construction sites.

Liao said four Song tablets are considered the museum's most precious possessions. Etched on them are a star map, which is the oldest map of Oriental stars; a picture of Pingjiang, which outlines Suzhou's municipal construction plan; a topographic map of China; and a portrait of the imperial family.

One outstanding sub-collection at the museums is a group of 184 stone tablets which are calligraphic renderings of records about Suzhou's economy. Throughout the Ming and Qing Dynasties, Suzhou had a developed commodity economy. Most of the inscriptions on these stelae were official documents; today, they are important primary sources for researchers.

Suzhou's status as the centre of Wu culture, which was distinctively different from that of central China, is reflected in the Suzhou Folk Customs Museum.

Museum head Jing Xi said that in 1985 his staff organized a folklore exhibition of local marriage customs, religious activities, seasonal festivals, costumes, ornaments and imperial examinations. The exhibition is still being shown in other parts of Jiangsu Province.

Jin described such traditions as the 1,000-year-old festival of "Meeting the Immortal," which falls on the 14th day of the fourth lunar month, usually in May. According to legend, this was the birthday of Lu Dongbing, a founder of Taoism. On that day he

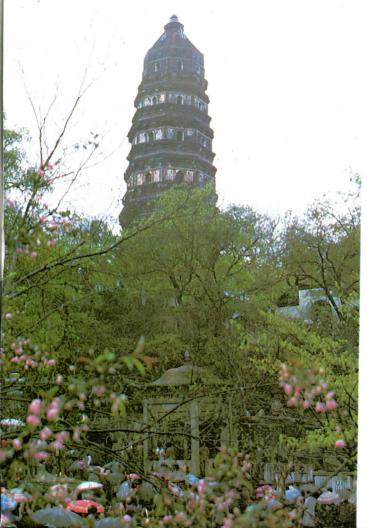
# SUZHOU: "PARADISE ON EARTH"

Suzhou, known in China as "paradise on earth," abounds with gardens where pavilions, towers, ponds and rockeries add to the city's ancient splendour.

Photos by staff photographer Xu Xiangjun. A view of the Shizilin (Lion Grove) Garden. Rock gardens there are arranged in the shape of lions in various postures: lying, sitting, walking, standing on hind legs, and playing.

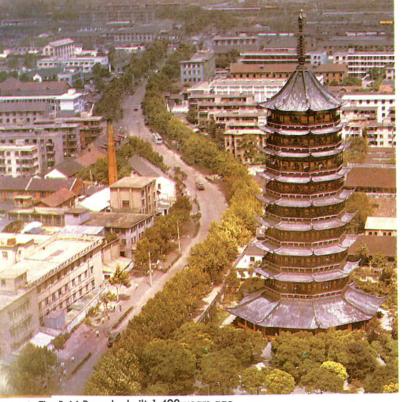
The Huqiu (Tiger) Hill attracts visitors even on rainy days. Its pagoda was built in the 10th century.



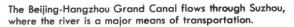




The Wangshi (Fisherman) Garden.

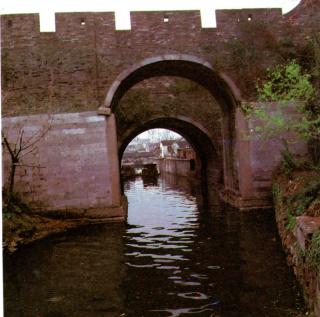












The Panmen Gate, built (722-481 BC) during the Spring and Autumn Period, is the most complete of the eight ancient gates in Suzhou.

A lamp and lantern shop in Suzhou.

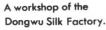
Part of the "Picture of Prosperity in Ancient Suzhou," painted in 1759, and which high-lights the beauty of Suzhou then.





A new city district, which is under construction west of Suzhou proper.

Employees in the finished products workshop of Suzhou silk printworks.







Two artists perform *pingtan*, a storytelling and ballad art form indigenous to Suzhou.



A Suzhou family's housing, which extends to both sides of the rivers, and is linked with a wooden bridge. Suzhou is laced with numerous rivers and bridges.







Embroidered White Egrets.



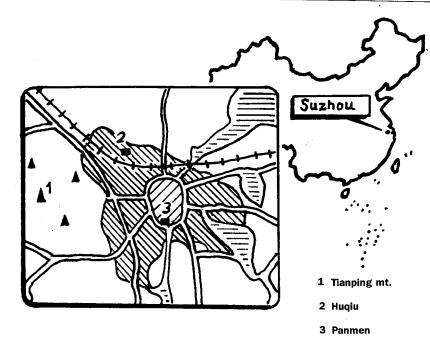
A fan factory worker painting fans.



A huge sandalwood fan made by the Suzhou Sandalwood Fan Factory.







would disguise himself as an ordinary human and come down to earth on that day. People used to flock to his temple to meet him, Jin said, and even today tens of thousands people still celebrate the festival in the temple.

Jin has also been involved in collecting local folk songs. He said Suzhou had been a centre for Wu songs, most of which had young love as their theme. He also said many people believed that lengthy narrative songs were common only among minority nationalities, but a dozen songs dating 150 years have been discovered in the Suzhou area. "People in their 70s and 80s still remember these songs and can sing them," Jin said. "We are collecting these songs by asking these singers to record them on tape.'

The Quanjin Theatre, a majestic Qing Dynasty building erected by Shanxi merchants, has been turned into the Suzhou Museum of Traditional Opera. There traditional Kun opera and Pingtan are performed on the antique-style stage.

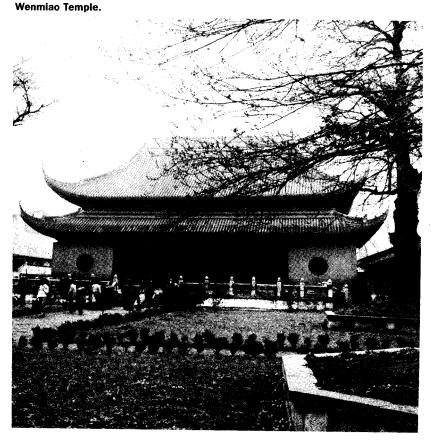
Kun opera derives its name from Kunshan, the small town near Suzhou where the form originated. During the Ming and Qing Dynasties, it was very popular all over China. *Pingtan*, a blend of storytelling and ballad-

singing in Suzhou dialect known for its mellifluous quality, has been loved by the people of Jiangsu Province since the Qing Dynasty. *Pingtan's* reputation is so great that a group of Suzhou performers were invited to an art festival in France this year. And in 1983, Suzhou *Pingtan* performers toured Italy exposing audiences to this traditional form of folk music. The opera museum is planning

The opera museum is planning to display life-size costumed figures from the *Kun* operas, along with musical accompaniment, when performances are not being offered. The museum will also display historical materials, play manuscripts, photographs and paintings that show the historical development of the form.

#### Skill on a Single Hair

Visitors to an arts and crafts exhibition who look through a 40-



JULY 14, 1986



power microscope there can see images of four heroes from the classic Journey to the West carved on a single human hair. Another awe-inspiring sight is an etching of a Buddha cut into a speck of ivory three-fifths the size of a grain of rice. The book entitled The Mosts in China describes it as the smallest statue of a Buddha in China.

These two pieces are the work of 37-year-old Sheng Weizhong. This pioneer of hair-carving spent much of his youth in jail during the "cultural revolution," but he says the experience fastened extreme self-discipline. Sheng said discipline is crucial in hair-carving. "When you apply your knife to the hair, you must hold your breath or risk damaging what you have already done."

Suzhou is also famed for its unique styles of embroidery, which date back more than 1,700 years. According to historical records, households in Suzhou raised silkworms and did embroidery during the Ming Dynasty. "Double-sized embroidery," a major breakthrough that has gained worldwide admiration, was invented during the Qing Dynasty.

Embroidery became an organized industry in Suzhou after 1949. According to Feng Li of the Suzhou Arts and Crafts Co., there are more than 100,000 women embroiderers in the Suzhou area. In recent years, Feng said, emerald-coloured, almost transparent nylon cloth has been used as backing for embroidering goldfish. He said the result is that the embroidered fish look like they are alive and swimming in clear water. One such work won a gold medal at an international fair held in Poznan in 1984. Feng also said Suzhou silk printing and dyeing industries have increased the number of colours available for silk embroidery threads. For example, Suzhou has always been famous for its embroidered cats; now the multitude of colours means they can be rendered in more lifelike detail. The thinnest

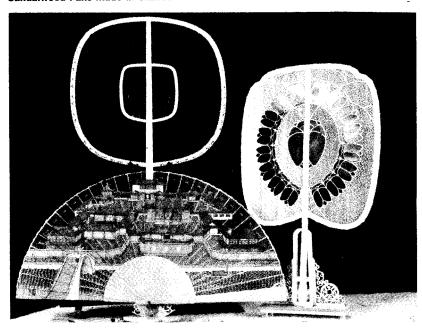
silk threads are one-fiftieth the diameter of a human hair.

During a recent visit to the company's exhibition hall, one group of artists were working on an astonishing embroidered portrait of Britain's Prince Charles. When they turned the piece of embroidery over, instead of the back of the embroidered portrait of the Prince, one found a perfectly embroidered image of Princess Diana. Feng explained, "Different coloured silk threads are used to work a different

the Chinese garden now on display at New York's Metropolitan Museum of Art is a replica of Mingxuan, a Ming Dynasty garden in Suzhou.

Nobles from various kingdoms began having gardens built in Suzhou as early as the Spring and Autumn Period (770-476 BC). It is said that the Gusu Pavilion, built for King Fuchai of Wu, was a magnificent structure perched on a hill on the outskirts of the city and could be seen from a circumference of 150 km. Private gardens

Sandalwood Fans made in Suzhou.



pattern on each side of the cloth."

Suzhou is also famous for its carved furniture made of padauk wood. The carved padauk bed in the Presidential Building of the Beijing Guest House was made in Suzhou. And 95 percent of the hundreds of varieties of sandalwood fans now being exported are made in Suzhou.

#### **Preserving Gardens**

Suzhou's numerous ancient gardens are among its glories—

multiplied during the Southern Dynasties (420-589) and totalled more than 270 by the Ming Dynasty (1368-1644). By the Qing Dynasty (1644-1911), ordinary families as well as aristocrats were creating gardens.

Suzhou's surviving gardens include examples from the Song, Yuan, Ming and Qing Dynasties. These formerly private tiny gardens were created within confined spaces that give them a very different character from grand, imperial gardens. Their blending of pavilions, ponds, bridges, rockeries and meandering

verandas lead visitors into a tranquil and serene natural world.

The famous gardens now open to the public include the peaceful Canglangting (Pavilion of Surging Waves, Song Dynasty), Shizilin (Lion Grove, Yuan Dynasty), famous for its imaginative lionshaped rockeries, Zhuozhengvuan (The Humble Administrator's Garden, Ming Dynasty), the biggest in the city, Liuvuan (The Garden for Lingering In, Qing Dynasty) which boasts the largest rockery in Suzhou, and Yiyuan (The Garden of Harmony, Qing Dynasty), a unique blend of many styles.

The precipitous *Tianping* (Heavenly Peace) Mountain 18 km southwest of the city was bestowed upon the renowned statesman Fan Zhongyan during the Northern Song Dynasty (960-1127). The Tianping Villa at its

foot is a cluster of exquisite ancient structures which were recently renovated. Although the renovation project aimed for complete authenticity, cement beams and columns were used to replace the original wooden ones to prevent termite infestations. However, they look so genuine that they can be mistaken for wood.

Some of Suzhou's other ancient gardens have been taken over by factories or other businesses. The elegant Ming Dynasty Yipu Garden was the site of a factory for many years. Its lake has been gradually drained off and a pavilion in the middle of the lake had been dismantled. The pavilion beams were rediscovered when the garden was renovated. Some people argued that these beams. which were covered with typical Ming colour paintings, should been repainted. have others disagreed, and the pavilion's original style was retained.

The Yunyan Pagoda at Hugiu (Tiger Hill) dates back to 961 and is under state protection. Because the foundation under the pagoda began subsiding unevenly, the tower started leaning like the Leaning Tower of Pisa in Italy. Eventually, it was 2.32 metres off the vertical, but efforts to halt the tilting were unsuccessful because of the pagoda's 6,000-ton weight and small foundation area. It took more than eight years to shore up the pagoda. Workers drilled holes around the old base and filled them with cement, turning them into concrete pilings.

To celebrate Suzhou's 2.500th birthday, the city government has also restored the famous Panmen Gate. One of eight city gates built during the Spring and Autumn Period, Panmen is a land-water double-purpose gate. It was designed to trap enemy invaders who attempted to attack by water. The gate has an inner wall and an outer wall. If attackers passed the outer wall, the elevated gates of both the outer and inner walls could be lowered to shut them between the two gates and cut off their retreat.

#### The Nine-Bend Bridge at Tianping Villa.



#### **Preservation vs Modernization**

Every morning, thousands of Suzhou's residents dump waste and wash in the canals, just as they did in Marco Polo's time. While some residents find it difficult to conceive of change many others are dissatisfied with their houses, which lack toilets and are inconvenient by modern standards. Many would like to either modernize their houses or move to newly built apartments.

City administrators have been grappling with the question of





The Twin Pagodas of the Song Dynasty.

Photos by Xu Xiangjun/Beijing Review

how to improve living conditions while retaining Suzhou's ancient charm. Current plans call for protection of the city's historic features while constructing a number of new living quarters.

Yu Xingde Suzhou's layout, the streets run in a chessboard pattern from the streams, must be retained. Preservation, however, is difficult because the city is not only a museum of history but also a productive centre where hundreds of thousands of people live and work. Yu said a new urban area will be built to the west of the old city. New industries will be encouraged to locate in that area and about 100,000 of the old city's 350,000 residents will be resettled there.

Caixiang New Village, covering 200,000 square metres and with a population of 14,000, is one such new residential area. It offers complete service facilities, including shops, post offices, hotels, restaurants, kindergartens, primary schools and farmers' markets. Though modern, the living quarters were designed to blend in with the city's old buildings.

According to the newly drafted plan, the stream-plus-bridge water system characteristic of the old city will be retained, and the height of houses within 50 metres of the banks and around the ancient gardens and historical sites will be strictly controlled. The basic grid system will be preserved, as will

the skyline. New structures must also match traditional styles in size, colour and design.

Wu Boxing, head of the city's economic commission, said preservation must take place in partnership with growth in the economy and tourism so the city can develop on a sound basis. During the Sixth Five-Year Plan period (1981-85), the city's economy grew an average of 20 percent a year. Its total industrial output value reached 14.96 billion yuan in 1985, up 36.1 percent over 1984. This placed Suzhou seventh in the nation. If the industrial output value of its six surrounding counties is taken into account, the region's output value in 1985 topped 19.3 billion yuan, placing it just behind the three municipalities of Shanghai, Beijing and Tianjin.

The city government has decided to set aside more than 400 million yuan to upgrade the city's water supply system, lay gas pipes, renovate scenic spots, and to move pollutant-producing factories outside the city proper. Wu said that Suzhou will receive subsidies for these-projects from the central and provincial governments, but it will still be forced to rely mainly on its own efforts to complete them.

More arduous, Suzhou's longterm plan may take several generatios to complete. But to many, the "paradise on earth" is more than just an ideal—it is close to reality.



# **Believers Pray for World Peace**

#### by Our Correspondent Lu Yun

June of 1986 saw Chinese religious believers praying for world peace at monasteries, temples and churches across the country to mark the International Year of Peace. On June 25, believers of China's five major religions gathered at their respective houses of worship in Beijing to pray for world peace with religious leaders and some 100 foreign representatives who came to attend the International Council of the World Conference on Religion and Peace (WCRP).

#### **Buddhism**

Buddhism first came to China about 2,000 years ago, and today, China's Buddhists have amicable relations with their peers in more than 10 countries in Asia, Europe and America.

During June, hundreds of **Buddhists** visited Guangji Temple in Beijing to join in the prayer for peace. "Safeguarding peace," said Ba Jianming, a retired telecommunications engineer of the Mongolian nationality, "is the duty of Buddhists. We want to kindle mankind's desire for peace through prayer." "In the world today when nuclear weaponry is fast developing," said a 26-yearold woman who is preparing to become a Buddhist nun, "We Chinese people all the more need peace in order to see our modernization programme through. I feel certain that if more than half the world's population who are religious believers pray for peace it will have considerable influence on world politics." The prayer service was also attended by Zamu Yangtu Budan, 62, a leader of the Buddhist Yonghe Temple, and 40 of his monks. "Maintaining world peace is part of the Buddhist's creed because

peace brings happiness to mankind. I am grateful to the government for paying so much attention to religious activities."

Present at the service were also Honorary President of the Buddhist Association of China, Baingen Erdini Qoigyi Gyaincain; honorary President of the WCRP Nikkyo Niwano from Japan; and President of the Buddhist Association of China and WCRP co-Chairman Zhao Puchu. "The duty of Buddhists," said Zhao, "is to free people from sufferings and bring them happiness. We Chinese Buddhists are determined to strengthen unity with the world's religious communities, to carry on the religious creed of benevolence and fraternity and to work alongside them in opposing nuclear war and maintaining world peace."

#### **Taoism**

Taoism is a traditional Chinese religion that dates back 1,800 years. The philosopher Lao-tzu, who founded the religion, wrote *The Way of Power* which is said to embody the beliefs of Taoism. "Taoist scriptures detail the love of peace required of Taoists," said Li Yuhang, president of the China Taoist Association. "Like their countryfolk, Chinese Taoists are

committed to defending world peace. Opposing hegemonism and safeguarding world peace is one of the creeds our Taoist Association adheres to." Recalling World War II, Liu Yuanwei, master of the Baiyun Temple, said: 'Forty years ago when I was studying at the Guandi Temple in Beijing, I watched as Japanese tanks rolled into the area. That scene remains fresh in my mind. I also remember, and am heartened by the memory of 1949 when I saw people take to the streets to celebrate the city's liberation. About 3,000 Taoists across the country held prayer services for peace on June 22, 23 and 25. Today's prayers should be concentrated on uniting all the peace-loving forces in the world to turn war into friendship."

#### Islam

Islam found its way to China in the 7th century. It embraces 14 million followers among China's Hui, Uygur, Kazak and others of the nation's 55 minorities, whose population has more than doubled since liberation in 1949. In 1985 more than 2,000 Chinese Moslims made pilgrimages to Meccah. Days ago, a peace-praying service was held at Beijing's ancient Niujie Musjid Jamia Mosque and was attended by several thousand Muslims, including President of

China, a multi-religious country, has, among others, followers of Buddhism, Taoism, Islam and Catholicism and other Christian faiths. There are an estimated 30,000 monasteries, temples, churches and religious venues in China; as well as 30 religious colleges with more than 1,000 students.

Under their Constitution, the Chinese are guaranteed religious freedom. Believers and non-believers alike participate in the administration of state affairs and are politically equal. About 5,000 believers have been elected deputies to national and local people's congress or members of national and local political consultative conference. Many more have been recognized as model and advanced workers.

JULY 14, 1986.

the Islamic Association of China Muhummad Ali Zhangjie. Haji Daud Shi Kunbin, vice-president of the Beijing Islamic Association and Iman of the Niujie Musjid Jamia Mosque, said: "Islam is a religion of peace. The Koran inspires Muslims to pursue peace. In today's world the threat of war exists. We Muslims should unite oppose hegemonism and aggressive wars and to support the Afghan, Palestinian and other peoples in their just struggles. As the Koran teaches us, we Chinese Muslims and believers in other religions should respect each other, keep to our respective doctrines and creeds and work for our own country's progress, while we pursue world peace together."

#### Catholicism

Catholicism and Christianity made much headway in China after the Sino-British Opium War in 1840, and today each has an estimated 3 million followers in China.

More than 1,000 Chinese and foreign Catholics and WCRP representatives gathered at the Xishiku Catholic Church in Beijing to attend a benediction given by Bishop Zong Huaide, president of the Catholic Association of China. "The Chinese have thought poorly of Catholics," Zong said. "We have, however, asked our followers to be patriotic and to use their kindness to change the people's minds. A great number of priests and nuns have gone out to help the people. More than 1,500 Catholics have been recognized as advanced and model workers. We Catholics have gradually won the people's esteem. I think Catholicism has a promising future in China." On June 8, about 900 Catholic churches across China sponsored prayer service for peace.

A responsible member of the Catholic Association of China said that since 1980 his association has hosted 68,800 Catholics from more than 90 countries and



XUE CHAO

Honorary President of the Buddhist Association of China, Baingen Erdini Qoigyi Gyaincain (front) leads a prayer service at the Guangji Temple in Beijing.

regions. Those visitors, he said, have included kings, presidents, archbishops and priests. He also said a number of Catholic leaders have reciprocated with visits abroad.

"We Chinese Catholics share the belief with the world's Catholics that Catholicism was founded by Jesus," he said. "However, because the Vatican has for decades followed a policy of hostility towards New China and its Catholic association, and because even today it maintains diplomatic ties with Taiwan, interferes in the internal affairs of China and its Catholic association and denies the Chinese Catholic Association's lawful rights, the Chinese Catholic Association has nothing to do with the Vatican. For these unfortunate relations, it is the Vatican, not the Chinese Catholic Association, that is to blame."

#### Other Christian Faiths

The number of Chinese Christians has jumped from 700,000 in the early post-liberation days to more than 3 million. On June 25, Wang Shenyin, a WCRP council member and vice-president of the China National Protestant Three-Self Patriotic Movement Committee (self-governing, self-supporting and self-propagating),

foreign WCRP representatives and many of Chinese Protestants prayer attended a massive Christianity,' rally."Chinese Wang said, "has been deeply influenced by foreign countries and has broken down into several factions. After liberation in 1949, sticking to the principle of the three selfs, we have worshipped Jesus together and have moved towards integration. We have encouraged Christians to love their country and religion and to work hard for the modernization programme. We Christians have benefited as China has forged ahead. We are all willing to abide nation's laws the contribute to society. In Shanghai, for example, one out of every 125 Protestants has been designated an advanced worker. We promote world peace through prayer and work so as to improve people's lives."

"We are willing to strengthen friendly relations with religious believers in all countries and regions," Wang said. "We have religious exchanges with our counterparts in Britain, the United States, Federal Germany and France. For example, the Archbishop of Canterbury in England Robert Runcie has visited our country twice. The Chinese religious circles will continue their devotion to peace and to the happiness of mankind,' he said.

## WCRP Holds Council Meeting in Beijing

by Our Correspondent Zheng Fangkun

The 65-member International Council of the World Conference on Religion and Peace (WCRP) held its first meeting in Beijing from June 25 to 30, 1986. Thirty countries and regions were represented among the 50 elected members and 50 observers. Twenty-three Chinese religionists also joined them, staying together with them outside Beijing in scenic Huairou county, noted for its expansive reservoir of clear, darkgreen water.

council meeting was The crowned with complete success. A final message to the regional, national and local chapters of the WCRP as well as relevant resolutions were adopted unanimously. This was aptly confirmed by Nikkyo Niwano, honorary president of the WCRP, when he said at the end of the conference, "We pledge in China—the great country with the Great Wall that we will also build a great wall leading to happiness and peace for all mankind.

Earlier, in his inaugural address, he said that the United Nations has designated this year the International Year of Peace, and it was therefore very significant that this meeting should take place here in China, a nation that is playing a crucial role in world peace.

The common cause of safeguarding world peace has strengthened ties among people different in colour, race, social system, ideology and religious belief. In the Council's message, WCRP chapters were urged to focus the moral and political will of religious people of all traditions on the achievement of general and complete disarmament.

Also, the message, referring to the deteriorating situation in South Africa, called upon the members to exert their influence on South Africa's trading partners to join in the imposition of economic sanctions.

The Council meeting took up the urgent world issues for peace and justice from a religious viewpoint, reviewing and coordinating WCRP's programmes at all levels and enhancing mutual understanding.

The theme discussed was peace through work and prayer, with three sub-themes: 1) Life and work in multi-cultural societies, 2) religion—cause or cure of conflicts; and 3) religion's contribution to education for peace and justice.

In prayer, they said, they experienced a sense of oneness, equality and mutual trust and prayer is the source of spiritual energy for their daily work. In Natalia Dallapiccola's words (Dallapiccola is a Catholic member of the Council from Italy), "The prayer that springs from love is indispensable for building true peace."

In the opinion of the WCRP members, work is the means to achieve their goals. Work enables them to engage creatively in producing beautiful and useful things, yet in work the primacy of the human being rather than material goods is demonstrated. Inamullah Khan, a Muslim president of the WCRP from Pakistan, said, "I submit that as members of the WCRP we should take a fraternal interest in all human problems. Without interfering in the internal affairs of any country and without getting excited or angry, we should calmly and coolly try to offer constructive suggestions as to how to solve these problems."

A prayer for peace service conducted by WCRP representatives of various religions.



Jacqueline Rouge, a Christian president of the WCRP from France, made a speech on the theme of life and work in a multicultural society. She said, "France has now become, for the first time in its long history, a multi-cultural society. Religion is very much a part of the picture. Religious differences are among the main divisive factors between various strands of our population. At the same time, religion appears to be the strongest influence working in favour of peaceful coexistence and respect among mutual communities.

Norma Levitt, a Jewish president of the WCRP from the United States, spoke on the same theme. She said her home was in New York City, which has, among its millions, people from all countries, races and faiths. And at present there was an appreciation of the richness of diversity in a multi-cultural, multi-religious society. A particular issue for them was to implement the Declaration on the Elimination of All Forms of Intolerance and Discrimination Based on Religion or Belief.

"Religion should be part of the solution, not part of the problem," said M. Aram, a Hindu president of the WCRP from India. "In the past, there was hostility between religions. From mutual hostility, the relationship changed slowly to mutual tolerance. From mutual tolerance, it changed to mutual acceptance further changed and it is now active partnership in WCRP."

Badru D. Kateregga, a Muslim member of the Council from Uganda, spoke on the theme of religion's contribution to education for peace and justice. He said, "Since world religions have not in the immediate past contributed significantly in the field of education for peace, but at times have even been sources of conflicts, their followers should now undertake major educational programmes to increase awareness of peace issues, appreciation

of all peoples' cultures and commitment to the value of peace. It is important for the learner to appreciate that sharing one's faith is more of antoffering of a precious gift than indiscriminate proselytizing."

Bainqen Erdini Qoigyu Gyancain, honorary president of the Buddhist Association of China, said at the opening session that peace is a common goal of all religions as well as a lofty ideal of all mankind. This was true of all speeches and conversations at the WCRP's Council meeting.

interview. Nikkyo an Niwano, 80, who is also president of the Japanese Committee of the WCRP, told the story of how WCRP all began. He said that the movement began in 1968 when American religious leaders returning from the centennial of the birth of Mahatma Gandhi stopped in Japan to participate in the Japanese-American interreligious consultation on peace. Gandhi's non-violent resistance thinking had an impact on him, Niwano said. And the result was to call a conference in Kyoto, Japan, in 1970. This was attended by over 300 representatives from 39 nations, and for the first time representatives of the world's ten leading religions broke down all isolating walls and came together in the name of peace.

The subsequent conferences at Louvain in Belgium, Princeton in the United States, and Nairobi in Kenya witnessed an increasing membership, set important peace initiatives in motion and provided a meeting ground for conflicting groups to begin the work of reconciliation. "If we are not part of the solution we are part of the problem," one of the WCRP sessions asserted.

A peace prize in the name of Niwano has been set up by the Niwano peace consortium. The purpose of the prize is to commend a person or organization for an outstanding contribution towards peace and religion.

Zhao Puchu, president of the Buddhist Association of China as well as president of the WCRP, is the third winner of the prize. China participated in the last two conferences at Princeton and Nairobi, and its leaders received WCRP leading members in 1982 to discuss disarmament issues.

The International Council of the WCRP meeting in Beijing this time was held at the invitation of five major religious bodies of China — Buddhist, Taoist. Islamic, Catholic and Protestant. During his meeting with the 120 religious believers attending the meeting, Ulanhu, vice-president of the People's Republic of China, said that over the past years WCRP has made contributions to opposing arms expansion and war preparations, striving for nuclear arms reduction, opposing racial discrimination. and helping African victims natural of disasters.

Ulanhu expressed his appreciation for the current WCRP Council meeting, adding that it was an important act of the religious body in safeguarding world peace and would promote friendly exchanges between religious believers of China and other countries.

Today religious believers make up more than half of the world's population. They constitute a major force in the defence of world peace. That is why China pays attention to strengthening the unity among religious believers of different countries. Religions should be bridges between nations and people in the world, not barriers.



### **Library Work Needs Reform**

"GUANGMING RIBAO"

(Guangming Daily)

Since liberation in 1949, the number of libraries in China has gone up from 300 to 400,000, forming a fairly comprehensive network of public libraries and those associated with institutions of higher learning and research.

With 2 billion books, however, China's library work still falls short of demand and is in need of urgent reform. To make better use of the books and materials in these libraries, Li Xibi, a member of the National Committee of the Chinese People's Political Consultative Conference, recently suggested the following:

First, it is necessary to reform library management and remove barriers between different departments and regions. Because there are no reciprocal arrangements among the libraries, it is imperative to establish a national library organization to ordinate the use of their books and materials, their distribution and the application of computer technology in library work. In addition, libraries of institutions of higher learning, research institutes and large factories and mines, where there are more books, should be gradually opened to the public.

Second, it is necessary to make energetic efforts to publicize the important role libraries play in promoting the country's economic and cultural development. Governments at various levels should also earmark special funds every year for the capital construction needs of libraries above the county level. Funds should be increased as book prices go up. The state should also appropriate financial aid to libraries in minority, remote and economically backward areas. At the same time, urban neighbourhood committees should be encouraged to run their own libraries or reading rooms.

Third, libraries should granted more autonomy. Library directors should be given the sole responsibility for running libraries and a responsibility system might be introduced for library staff. It is vital that library personnel work to improve their professional skills and service, and that they put the readers' interests above anything else. The lending period should also be lengthened, and the bookshelves should gradually be made more accessible to the readers.

imply that the more doubtful a person is about all things new, the more mature and worthy of respect he is.

Throughout history, people have been scared or uneasy in periods of social reform. Conservatives have tried hard to preserve the old social system. Thus a passive approach to life has been cultivated, which has proved most harmful to today's socioeconomic advances.

On a smaller scale, individual Chinese tend to be self-centred. It is hard, as a foreigner observed, to deal with one Chinese, but relatively easy to deal with a group.

Under present circumstances, some enterprises and individuals tend to care more about their own interests than the interests of society. They even ignore unhealthy practices so long as they are not disturbed by them.

■ A value system that stresses moral codes and personal loyalty and is not compatible with the development of a market-oriented economy.

Confucius remarked: "A noble man is interested in social mores while a humble man in money and self-interest."

His followers also taught people to be content with their lot and to eschew personal desires and ambition. Even today, some people are guided by philosophy that advocates seeking peace of mind and shedding all desire.

For them, money and profit are ugly and evil, though sometimes this is only a superficial attitude.

The petty farmer's belief in economic levelling, or equal sharing.

For thousands of years, there has been a widely accepted doctrine that, put simply, says, "What I cannot do should not be done by others; what I am able to do can be done by everybody else."

In assessing talent, the petty farmer's belief often leads to jealousy, narrow-mindedness and denial of differences in human

### Inertia Keeps Culture in a Rut

"GONGREN RIBAO"

(Worker's Daily)

As China reforms its economy, a great deal of attention has been given recently to the question of how reform may affect traditional culture and civilization— and vice versa.

Inertia has sustained the

country's traditions and culture for thousands of years. The most following are the apparent and damaging aspects of it and how they influence today's reform efforts and modernization drive:

■ The tendency to oppose change, allied to a self-centred viewpoint.

Confucian and Taoist doctrines

intelligence and capability. So some officials tend to promote those who are obedient and who show deference rather than those who are more capable. This reduces creative and competitive incentives.

■ The lingering patriarchal system that respects only author-

ity and book learning.

A great number of examples can be found in historical doctrines and the teachings of famous scholars in which are rooted the bureaucratic and slavish ways of thinking that still exist.

■ The tendency towards cultural isolation from the rest of the

world.

This is evident in the few who still try to analyze modern Western civilization from the viewpoint of China's orthodox values. Modern Western culture has thus gained "notoriety" from the works of certain conservatives who are interested in China only as an ancient country with "a history of 5,000 years and countless treasures." They refuse to recognize Western advances.

된 기업에 가장되면 하고 가장 있는데 이렇 수는 회사를 가장하는 것들은 그리고 있는데 그리고 나는 사이라를 가져왔다.

■ An inclination to fit everything into one of two extremes.

Some Chinese see things as either black or white, good or bad. They even use feudalistic arguments to oppose capitalism.

There are many more such instances of cultural inertia that deserve attention. Only when China dares to overcome the flaws of its own culture and is ready to accept whatever is advantageous in foreign culture, can it take its rightful place in the world community.

#### **Farmers Become Entrepreneurs**

"ZHONGGUO RIBAO"

(China Daily)

Not all farmers are working the land in China any more. And the countryside is witnessing how an increasing number of them are becoming entrepreneurs of one kind or another.

The rural economy, as an essential part of the nation's socialist market, has continued to increase its rate of products serving as commodities. More of the countryside's total produce is sold on the market, instead of consumed by the rural population itself.

Farming is now being conducted in quite different ways. Many new occupations, such as food processing and mining, are budding and growing. In the comparatively developed areas in particular, farmers seem ready to bid farewell to the traditional pattern of life. No longer content

with living in rustic conditions and having to work year round to meet their own needs, they drive their trucks and wagons to market their goods (as well as services) elsewhere, even in far off big cities. They have more to sell.

This adds a great amount to the nation's wealth.

Reports last week said that of all goods produced in the country-side, more than 60 percent are sold in the market. This indicates that every farmer's sales in 1985 increased more than a quarter over the previous year.

Farming's contribution to the rural economy is going down, while that of industry and services is expanding.

Grain production now occupies only some 60 percent of total agricultural output value, the rest being taken up by production of other kinds of food and items ranging from fisheries to cash crops.

Nearly one in every five farmers has left the land to work in local manufacturing and service enterprises, compared to one in 10 in 1980.

New market-oriented producers and caterers number 480,000 and provide jobs for 4

million people.

Such changes in rural China, where 800 million people used to eke out a living on only a tiny proportion of the world's arable land, are a blessing that reforms have brought to Chinese society.

The reform policies, first adopted by the Chinese Communist Party eight years ago, are in fact designed to enable farmers to manage their own affairs and create opportunities for themselves, thus serving the interests of their communities and enriching the entire nation.

The abandonment of unworkable "cultural revolution" policies and the development of intensive farming and the manufacturing and service industries on the household basis have yielded good results. Many forms of local industrialization are evolving, the best known being the "southern Jiangsu model" (industrialization supported mainly by community enterprises) and the "Wenzhou model" (where cottage industries play the major role).

Some rural businesses are already showing high returns on investment, competitiveness and good management. Eager to make use of individual talent and expertise, they are encouraged by the government financially and technologically.

In the coming years, when rural enterprises are expected to multiply, more farmers will turn to other occupations. This, however, should not mean attaching less importance to those who feed the nation's huge population. It is good that in many areas grain production, less profitable than other occupations, has access to community funds, infrastructure facilities and services provided by local enterprises.

## China's Insurance Goes International

China's foreign insurance business has undergone vigorous expansion and diversification in the past five years, according to a report released at the Third World Insurance Congress held June 24-27 in Beijing.

Xu Wenhao, general manager of the reinsurance department of the People's Insurance Co. of China, reported that total insured amount rose from US\$30 billion in 1980 to US\$60 billion in 1985. Income from premiums almost tripled, from US\$86 million to US\$230 million, during the same period, and aggregate income totalled US\$230 million, during the same period, and aggregate income totalled US\$830 million, while the amount of claims stood at US\$410 million.

Xu said China's open policy has contributed greatly to the expansion of foreign insurance business. Insurance, which used to cover only imports and exports and oceangoing vessels, now covers imported technology, Chineseforeign joint ventures, cooperative ventures, sole foreign ventures, contracted foreign projects, labour exports and international tourism. In addition, new

types of insurance which cover areas such as offshore oil exploitation, building and installation projects, shipbuilding, satellites and nuclear power stations—all of which involve more risks, large amounts and sophisticated technologies — have also been developed. China's diversified foreign insurance business now covers almost all the types current on the international market, Xu said.

Xu also reported that PICC has set up 15 insurance companies in Hong Kong and Macao as well as in foreign countries to speed up the investigation and payment of claims. In 1985 it opened the China Insurance Co. (UK) Ltd. in London and hired more than 300 cargo investigators and adjustors in 100 countries and regions. More than 60 hull surveying and claims adjustors were also hired.

China is a founding member of the Federation of Afro-Asian Insurers and Reinsurers (FAIR), and of the Asian Reinsurance Corp. and the Third World Insurance Congress. For items that involve more risks and foreign currency payments, PICC prefers international reinsurance, as do most of the insurers in the world. Before 1956, however, China had outward reinsurance arrangments with only a few countries, and it did not accept inward reinsurance. Today, however, China had business relations with 1,300 companies from 110 countries, including many state and private companies in the third world. In 1979, China's volume of reinsurance reached 72 million yuan (about US\$40 million), while in 1984 it was 320 million yuan (about US\$120 million), a more than three-fold increase. No significant increases have been made in inward reinsurance because of the slow-down of the international insurance market. However, outward insurance business has remained profitable.

Despite its rapid rate of growth in recent years, China's insurance business still lags far behind that of the developed countries. However, following the further implementation of the open policy and the expansion of foreign trade, insurance coverage will be extended and the premium income will increase significantly.

### Metallurgy's Big Show in Beijing

Films, videotapes and photographs of metallurgical equipment from 180 international companies were on display at China's first Metallurgical Industry Exposition, held June 24-30 in Beijing. Companies from 27 countries and regions, including

the Federal Republic of Germany, Japan, the United States, Australia, France, Italy, the Netherlands, Sweden and Britain, took part in the exposition, which also featured displays of instrumentation and 126 technical symposia for Chinese technical personnel.

Equipment worth US\$4 million was for sell, including analytical systems, cut-off machines, grinding and polishing machines, testing and measuring gears and

automation systems, at the exposition.

Y.P. Mak of China Promotion Ltd. of Hong Kong, the exhibition's sponsor, said she hoped the companies that took part will establish ongoing relationships with non-ferrous metal and metallurgical departments in China. On the other hand, representatives of the China National Non-Ferrous Metals Industry Corp., China National



A universal combination microscope from the Federal Republic of Germany on display at China's first Metallurgical Industry Exposition.

Non-Ferrous Metals Import and Export Corp. and China National Metallurgical Products Import and Export Corp. said they wished to know the current developments in metallurgical industry in order to locate new partners for cooperation.

Federal Germany, Japan and the United States sent the largest delegations. Among the famous companies present were Kloeckner, SMS, Krupp, Thyssen and Metallgestellschaft of Federal Germany; Shimatsu, Nippon Steel, Sumitomo Metal, Kobe Steel and Kawasaki of Japan; and Pennsylvania Engineering, Buehler, Leco and Baker Mining Equipment of the United States.

The exhibition was hosted by the China Council for the Promotion of International Trade at the China International Exhibition Centre.

#### Beijing-Hong Kong Venture Under Way

China's first joint financial corporation to be run by the Bank of China and the Bank of East Asia Ltd., Hong Kong, has come under preparation. Based in the Shenzhen Special Economic Zone, the corporation intends to invite Japanese and US banks as partners. The financial company will be involved in investment and loans with other Chinese cities and regions.

Because China's development plans call for much foreign currency, this venture will attempt to attract more foreign funds and co-operators to China. Ventures such as this one are expected to be a suitable form of co-operation when a foreign bank representative offices in China wants to upgrade itself into a branch office.

Negotiations are under way between the China Ningxia Islamic International Trust and Investment Corp., China International Trust and Investment Corp. and banks and investment companies in the Middle East for the establishment of more financial ventures.

#### Liaoning Builds Key Projects

Liaoning Province's key industries—machine building, electronics, metallurgy, chemicals, medicine, building materials, light industry, textiles and food processing—will receive infusions of foreign funds and advanced technology during the Seventh Five-Year Plan period (1986-90).

During the Sixth Five-Year Plan period (1981-85), the province, China's heavy-industry base in the northeast, signed 2,700 contracts, amounting to US\$1.6 billion. These brought in both foreign funds and technology. Under these contracts, 1,400 items of technology were introduced. About 12,000 new products were produced on a trial basis, and 8,900 of these went into commercial production.

#### **News in Brief**

■ The Chinese government has requested that 5,800 major products intended for export meet international production standards by 1989.

At present, only 20 percent of China's manufactured goods are up to international standards. The move is expected to improve the nation's competitive position in world markets.

■ The China Civil Aviation Administration (CAAC) opened direct air service between Beijing and Rome on June 30.

#### CORRECTION

The fifth paragraph in the column on the right, page 27, issue No.22, 1986, should read, "Hanspeter Brunner of Credit Suisse says his bank had made substantial achievements in connection with letters of credit in 1985."

#### Pavarotti Enthralls Chinese Audiences

Pravo!" "Encore!" Thunderous applause and shouting filled the packed 10,000-seat Great Hall of the People in Beijing, where the renowned Italian tenor Luciano Pavarotti had just completed his farewell concert in his first tour of China, from June 22 to July 8. Pavarotti was the first foreign opera singer to perform at the Great Hall of the People since it was built in 1959.

Crowned the "King of the High Cs," the world-class tenor unleashed a rampant strain of opera fever in Beijing since setting foot in the capital. No foreign singer has reached the level of popularity in China that Pavarotti has. "This is the best opera performance Chinese audiences have probably ever seen," said Wu Yanze of the Hubei Provincial Opera Theatre. "I am sure it will help promote the development of vocal music in China."

After the premiere concert on June 24 in Beijing, Pavarotti and his colleagues from the Opera Theatre of Genoa conquered audience with their performance of Puccini's La Boheme. In order to witness the performance of the world superstar, many from around China trekked to Beijing for tickets. Not long after the 18,000 tickets went on sale, all for the seven performances were sold. Hundreds of fans, from old men to high school students spent the night in line waiting for tickets. Many of those who failed to buy one legally bought theirs from scalpers at up to 12 times their 10 yuan price. Two youths said they even shared one ticket—one watched the first part and the other the second. Fortunately the Central TV Station transmitted live broadcasts and video recording of the concert and of La Boheme, somewhat mollifying those unable to see the performance in person.

Western opera, especially

Italian opera, is not at all strange to Chinese audiences. As early as the 1910s, Italian bel canto was introduced into China. Verdi's La Traviata, Puccini's Madame Butterfly and Bizet's Carmen have all been staged in China. Solo albums and cassette tapes of Italian singers such as Enrico Caruso and Ginseppe di Stefano have also been exported to China. Never have Chinese audiences, however, had a chance to see as brilliant a performance as that Pavarotti's.

"Chinese audiences are surprisingly warm," Pavarotti said. "I have been very impressed with them." With his resonant voice, Pavarotti can flawlessly sing two high-octaves and the high-C, with seemingly little effort. He won the hearts of his Chinese audiences with the sheer power of his voice.

Zhao Feng, vice-chairman of the Chinese Musicians' Association, honorary president of the Central Conservatory of Music

# Scientists Transform Tengger Dunes

A method of turning desert into farmland is being spread in north and northwest China.

So far, 12 percent of China's land subjected to desert encroachment has been protected by trees, bushes and grass. This has aroused great interest in Asian and African countries which have sent experts and technicians to China to study or invited Chinese experts to their countries to teach.

The method was developed by the Shapotou Desert Research Station, a subdivision of the Chinese Academy of Sciences' Institute of Deserts. Located in Zhongwei County, Ningxia Hui Autonomous Region, the station is on the southern tip of the Tengger, the third-largest desert in China.

Set up in 1956, the station's task was to find ways to protect the Baotou-Lanzhou railway from being overwhelmed by the desert, Zhao Xingliang, head of the station, said recently.

While planting tree belts, scientific workers from the station levelled the dunes and turned them into ridges to grow leguminous plants and other green manure crops in the first year to improve the soil conditions for growing farm crops the next year.

They built stone irrigation ditches to let the water from the Yellow River water the sand, and

erected hedges around the fields against sand storms.

Years of watering and cropping have fertilized the soil and turned 30-metre deep sand dunes into arable land.

The station has succeeded in growing fruit, grain and vegetables on 14 hectares over the past 20 years, and harvests up to 20 tons of fruit, and five tons of soybeans per hectare a year.

Using the same method, farmers on the edge of the desert in Zhongwei County have already turned 2,800 hectares of moving dunes into irrigated farmland and forced the desert to retreat more than 10 kilometres.

They plan to transform an additional 7.000 hectares of moving dunes into farmland in the near future.





Luciano Pavarotti in a scene from "La Boheme," (left) and part of his Beijing audience.

Xue Chao

and a music critic, said, "Pavarotti's talent lies in his technical process, his lyricism and his theatrical abilities. Pavarotti is more than the 'King of the High Cs,' " Zhao said, "he is king of almost every note."

Cultural exchanges between China and Italy began some 400 years ago, when in the 15th century the piano was introduced into China's court by an Italian missionary named Matteo Ricci, who also wrote a musical work entitled *Music for Western Piano* in Chinese.

As the first Italian opera theatre to visit China since 1970 when Sino-Italian diplomatic relations were established, the visit by the Opera Theatre of Genoa is significant in promoting cultural

exchanges and friendship between the Chinese and Italian peoples.

After Pavarotti's premiere, he was so touched by the enthusiasm of the Chinese audiences that he gave five encores. The last song of his repertoire was *No One Falls Asleep Tonight*. Indeed, those who were lucky enough to hear Pavarotti must certainly have been too excited to sleep.

(Continued from p.13.)

# INNER-PARTY CONTRADICTION

we have exaggerated or overdone the second type of contradiction, but that we lack adequate understanding of and a clear-cut stand towards this type of contradiction and dare not solve antagonistic or even sharply antagonistic contradictions resolutely. This is just what Comrade Deng Xiaoping has pointed to: flabbiness. We should strive to remedy this condition of flabbiness.

The method for overcoming this problem is to let the organizations under the Party Central Committee take the lead to earnestly improve the political life of Party organizations at all levels, perfect

democratic centralism, and strengthen Party discipline. To be frank, in some of our Party organizations, including some high-level Party committees, there is little healthy political life to speak of. There, the practice of securing personal advantages through pull is rife and the political atmosphere is rarified. Or, we can say, the vulgar tastes are too strong and the sense of political principles is too weak.

The antagonistic contradictions within the Party which we mentioned just now are those incompatible with the Party's objectives, organizational principles and disciplinary code. Those who persist in their mistakes should not be allowed to stay in the Party. Those who have violated the state law should be dealt with according to law. Of course this does not necessarily mean that type of antagonistic

contradiction is one between ourselves and the enemy, or that these people are our enemies. This should be made clear.

Comrade Mao Zedong once called on our nation "to create a political situation in which there are both centralism and democracy, both discipline and freedom, both unity of will and personal ease of mind and liveliness." However, because of our past faults, it has not been possible, over a long period, to realize this situation. Since the Third Plenary Session of the 11th Party Central Committee, there has been a basic improvement, but to satisfactorily achieve this kind of situation and proceed to consolidate and develop it is still very difficult. And to overcome difficulties on our road forward and win victory in our great cause are closely related to such a situation. We must continue to try.

## **Ups and Downs of China's Badminton**

China Badminton Open Tournament, the fourth of the world's 1986 open tournaments ended on June 2 after five days in Fuzhou, Fujian Province in southeast China.

China's Han Aiping won the women's singles title, while Tian Bingyi and Li Yongbo took the men's doubles title. Indonesian and the South Korean players shared the other three titles.

To credit the efforts of China's badminton circles, the International Badminton Federation issued an "Extraordinary Contribution Prize" or a "Contribution Prize" to 11 Chinese badminton experts after the tournament.

Before the 1960s, China's badminton was virtually unknown. In 1963, however, China's team came out of obscurity by defeating the champion Indonesian team. Since then,

China's team has been among the world's best.

During the "cultural revolution" (1966-76), the advance of China's badminton stopped. It was not until 1982 in their debut at the Thomas Cup tournament that China's players logged their first major triumph since 1966 by winning the team title.

China's badminton has undergone four phases of development. The first phase, called the education stage, began from 1954-1956, when the players knew only about attacking and shuttle placement. From 1957-1959, the stage of laying a solid foundation, a nationwide badminton competition system was set up. Then hitting speed and movement were emphasized. During the promotion stage from 1960-62, the Chinese shuttlers further improved their footwork and made breakthroughs substantial speed and doubles events.

The team's prime came in 1963-1966 when it began to develop its own style. Since 1977, restoring and developing the Chinese style has been the goal of the Chinese players.

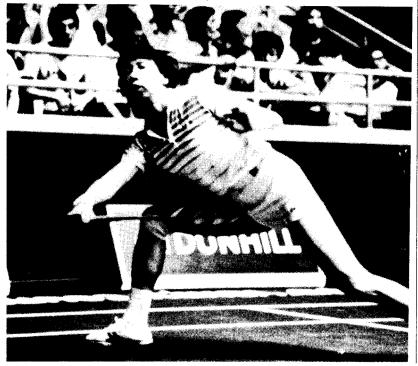
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Many Chinese experts are not satisfied with the results their players got at the Fuzhou Open. Performances of many excellent players, like Yang Yang, the experts say, were not as good as expected. China and other world class teams have been stressing speed and all-round techniques. In the men's doubles, for example, South Koreans Park Joo Bong and Kim Moon Soo, several-time world champions, were buried by two Chinese because the Koreans lost their initiative in quick attack.

Before the Fuzhou Tournament, a national badminton training meeting was held, in which some people predicted a "crisis" in the women's doubles and the men's singles. Unfortunately, the predictions came to life at the tournament.

Women's doubles and men's singles, once China's strong events, declined at the Fuzhou Tournament because the team's younger players have inadequate skills. Most of them are inconsistent. Although some excel in one aspect or another, they lack allround skills. In addition, their physical strength also needs improving. Two of the Chinese players were beaten by Indonesian Icuk Sugiarto because he was in better shape than they.

Wang Wenjiao, a Chinese member of the Council of the International Badminton Federation, said the Fuzhou Open created a chance for Chinese young players to practise and learn, and also for them to see that a key to future success lies in the development of all-round skills of badminton technique.



# Work of 'People's Educator' in Six Volumes

by Zhang Jingfu

Complete Works of Tao Xingzhi (in Chinese)

Published by: Hunan Education
Publishing House
Distributed by: China International Book Trading Corporation, P.O. Box 399, Beijing,
China

Early last September, I gave a speech at the inauguration of the China Tao Xingzhi Study Society and the Tao Xingzhi Foundation. "I was a student of Tao Xingzhi," I said. "In my four years of contacts with Tao before liberation, he convinced me he was worthy of the title of the 'great educator of the people.'"

Not long after the founding ceremonies. I received a copy of the *Complete Works of Tao Xingzhi*, which was compiled by a number of scholars and editors sponsored by the Scientific Education Research Institute of Central China Teachers' University, and published by the Hunan Education Publishing House.

The more I read Tao's works, the larger the image of him loomed before my eyes. Tao (1891-1946) was a giant man of our time, he was an innovator who put the interests of others before his own, and took great pleasure in helping young people. The appearance of this book, therefore, is an important event among Chinese publishing circles.

Tao's motto was "Life Means Education." He founded and ran schools in Nanjing, Shanghai and other cities.

As a pioneer of universal education in China, he devoted his life to the people's education, national liberation and the

\*The author is a state councillor.

struggle for democracy. What he left behind was a wealth of poems and essays adding up to more than 3 million words. The six-volume monumental work discusses the following characteristics that has made Tao the respected, beloved educator that he was.

Plenty of his educational theories and methodology were applicable to the realistic conditions in China. Though he had studied in the United States, he never indiscriminately applied to China the educational methods used in the United States.

Tao was fiercely patriotic and fought against imperialism and feudalism. He stood at the forefront of the struggle for national liberation and democracy. The Xiaozhuang School (a rural teachers' school) run by Tao in his younger days was "the result of my love," according to the educator himself. In his love for humanity, he cared the most for China's peasants, who account for the majority of China's population.

In the 1920s, he devoted much attention to activities with peasants. Later he also attached importance to Chinese workers. After the "September 18 Incident," in 1931 when the Japanese launched attacks on northeast China, he secretly returned to China from Japan. In Shanghai, he worked for a local newspaper Shen Bao as an advisor. The Japanese invasion of Shanghai in January 1932 enraged him even further. He published many articles in the newspaper, accusing Chiang Kai-shek's government of traitorous acts. For example, in his article A Mirror of Warlords. he said, Chiang Kai-shek "decided for himself to crush down the Chinese people's resistance against Japan, while allowing robbers to slip through the door."

Tao became a standard-bearer in the movement to fight against the Kuomintang and to win democracy. But the Kuomintang reactionaries were tiring of the behaviour of Tao, and after the murder of the patriotic and democratic figures, Li Gongpu and Wen Yiduo, Kuomintang reactionaries plotted next to get their hands on Tao. In his last letter to teachers and students at the Yucai School on July 16, 1946, he wrote, "Gongpu has been killed. Yesterday and today I was told the bad news from my friends of two different sides. If the bad news is ture, my life will soon be ended.... I suggest if one dies for democracy, there should be 10,000 more people moved and inspired to step into the breach; if 100 people fall down, there should be one million more people; if 1,000 people die, there should be 10 million more."

Tao was so exhausted and so frustrated by his plight that he died of cerebral hemorrhange in Shanghai on July 25, 1946.

Tao was a man of action, a thinker and a philosopher. Just as the famous poet Guo Moruo described him, "By working, he absorbed genuine knowledge. As a man of knowledge, he became more devoted to practising what he had learnt. Though well-read, he always thirsted for more."

In the history of China's modern education, Tao Xingzhi is considered the first person bold enough to search for a new approach in China's education. As an important document, the Complete Works of Tao Xingzhi is of great historical and scientific value in the process of modernizing China.

### ART PAGE





# Folk Papercuts From Binxian County, Shandong Province

The simple but lively papercuts of folk figures from Binxian County, Shandong Province, depict characters from China's classical opera, and plump children symbolizing good fortune and happiness.

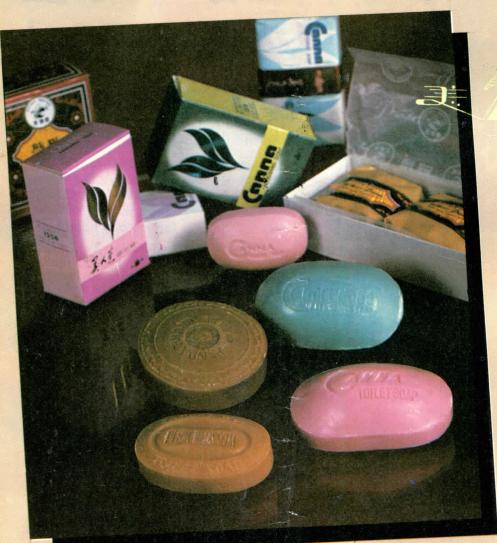


# 'Canna' Soap

Canna soap, produced by the Tianjin Perfumed Soap Factory, was awarded the "High-Quality Product" title by the Ministy of Light Industry in 1979. With a lustrous aroma the soap comes in various colours such as blue, green and rose. Canna soap will keep your skin fresh for hours.

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