

Simultaneously Develop Big and Small And Medium Enterprises

by the Writing Group of the State Capital Construction Commission

OUR great leader Chairman Mao points out: "We must build up a number of large-scale modern enterprises step by step to form the mainstay of our industry, without which we shall not be able to turn our country into a strong modern industrial power within the coming decades. But the majority of our enterprises should not be built on such a scale; we should set up more small and medium enterprises and make full use of the industrial base left over from the old society, so as to effect the greatest economy and do more with less money." Practice in China's socialist construction proves that the principle of simultaneous development of big and small and medium enterprises advanced by Chairman Mao is completely correct. Conscientious implementation of this important strategic principle helps develop industry at high speed, distribute industry more rationally and constantly bring about innovations in industrial techniques, so that China's industrial construction can go from victory to greater victory.

The struggle between the two lines in industrial construction has always been acute and complicated. One major aspect of the struggle is whether or not to adhere to the principle of simultaneous development of big and small and medium enterprises.

Simultaneous Development of Big and Small and Medium Enterprises Is the Only Way to Develop China's Industry at High Speed

The worshippers of things big and foreign look down on small and medium enterprises, thinking that "these enterprises are not economical" and cannot solve the question of developing industry quickly. In their eyes, the only way to develop industry at high speed is to rely on big enterprises, and small and medium enterprises are of little importance. They do not understand that developing big and small and medium enterprises simultaneously and making large-scale enterprises the mainstay and setting up more small and medium ones will stimulate the creativeness and enthusiasm of the masses, in their hundreds of millions, for socialist construction and bring into play the spirit of "maintaining independence and keeping the initiative in our own hands and relying on our own

efforts" and "hard struggle" and "building up our country through diligence and frugality," and that this is the only way to develop China's industry at high speed.

Chairman Mao teaches us: "We should look at problems from different aspects, not from just one." In the course of speeding up China's socialist industrialization, we must pay great attention to the role of large-scale modern enterprises. They are the mainstay of China's socialist industry. Just as Chairman Mao has taught us that without this mainstay "we shall not be able to turn our country into a strong modern industrial power within the coming decades." We have already built a number of large-scale modern enterprises and we will continue to build a number of necessary big enterprises in the future. We must do this. But, such enterprises require a concentration of natural resources, modern transport facilities, considerable equipment, big investment and a long period of construction. Therefore we can only build some key projects and not very many in a given period.

In contrast, small and medium enterprises take less investment, are built faster and require simpler equipment. Such enterprises can be run not only by departments under the central authorities, provinces and municipalities but also by administrative regions, counties, rural people's communes and neighbourhoods. This helps bring into play the enthusiasm to run socialist industry in all fields and gives immediate results in this endeavour. For example, small iron and steel, machinery, cement and chemical fertilizer plants and small coal pits, which need less investment, can be equipped by the localities themselves and go into production in a few months. Therefore, we must adhere to the principle of simultaneous development of big and small and medium enterprises and set up more of the latter while building big ones. Only in this way can we bring into full play the unexcelled positive conditions in China of a large expanse of territory, rich natural resources and a big population and spur on the widespread and vigorous development of industrial enterprises.

The law of development of things is always from small to big and from lower to higher. Starting with

small and medium enterprises and by relying on our own efforts and hard work, we will make investments give quicker results, turn out products, increase accumulation and expand them step by step. Thus we can achieve high speed and greater, faster, better and more economical results as compared with building big enterprises from the very start. The construction of two alumina plants provides a vivid instance. One plant started as a small-scale unit with a designed capacity of 35,000 tons and went into production in two years. On that basis and by relying on its own efforts and combining modern and indigenous methods, it grew in less than ten years from a small to a big plant with a 300,000-ton annual productive capacity. The other plant went in for things in a big way and was originally planned to have a capacity of 200,000 tons. It then planned to raise the capacity to 400,000 tons, 600,000 tons and even to 1,000,000 tons. But all this doubling, trebling, etc. was only on paper. After more than a decade had passed in construction and investment multiplied several fold, the plant was finally completed with a 200,000-ton productive capacity.

Only when modern large-scale enterprises are co-ordinated with large numbers of small and medium ones can these enterprises be fitted together and a comprehensive productive capacity swiftly created. If a few big plants are built in isolation, like "bones" without "flesh," their role cannot be brought into play and high speed in building industry is impossible. One of the major reasons Shanghai has developed its industry so fast, achieved such a high value of industrial output and become China's top producer of complete sets of machinery, is that it unswervingly adheres to this principle of simultaneously developing big and small and medium enterprises, making the big ones the mainstay and building large numbers of the latter.

Shanghai's machine-building industry is mainly one of small and medium plants. Thirty per cent of the city's machine-building plants are bigger ones which produce the main machines and complete products. Forty per cent turn out auxiliary machines and parts and the remaining 30 per cent take on odd jobs and tasks to meet the needs of the others' technological processes. Working in close co-ordination with each other like a field army, regional army and guerrillas, they form a powerful fighting force.

Vigorously setting up small and medium enterprises and effecting co-ordination between them and big enterprises in accordance with China's specific conditions means the greatest amount of economy, because this ensures the high-speed development of industry and gains time. On the contrary, it is extremely uneconomical to blindly seek bigness and foreign standards and build only big enterprises but not small and medium ones, because this would prevent our rich natural resources from being fully utilized for a long time and our hundreds of millions of working people

from devoting their efforts to industry, delay industrialization and cause our industrial development to lose time.

High speed development of China's industry is an important strategic question in socialist construction and a major question in the fight to win time against imperialism and social-imperialism. Simultaneously developing big and small and medium enterprises and setting up more small and medium ones or looking towards big and foreign things and stressing big enterprises while neglecting the others is, in essence, a question of whether one stands for high speed or not. To develop industry at a high speed and build more big enterprises, we must carry out the principle of simultaneously developing big and small and medium enterprises and establish large numbers of small and medium enterprises. The faster the latter expand and the more products they turn out for the country, the more funds the state will accumulate and the faster the technical force will grow. Thus we have the conditions to build more large-scale enterprises as the mainstay and carry out industrial modernization at a faster rate.

Simultaneous Development of Big and Small and Medium Enterprises Can Quickly Effect Rational Distribution of Industry

Those who worship things big and foreign hold that building more small and medium enterprises will scatter our forces, adversely affect the speed in building key enterprises and cannot solve the question of rational distribution of industry. They fail to understand that only by carrying out the principle of simultaneously developing big and small and medium enterprises, making the big ones the mainstay and building large numbers of small and medium ones, giving full play to the initiative of the central and local authorities, especially the latter's initiative in building industry, can we concentrate more manpower and materials, organize a big force for construction, speed up the completion of local industrial systems of various levels and with different characteristics and thereby distribute our industry more rationally.

Chairman Mao has pointed out: "The localities should endeavour to build up independent industrial systems. Where conditions permit, co-ordination zones, and then provinces, should establish their own relatively independent and varied industrial systems." This instruction of Chairman Mao's has fundamentally pointed out the direction and the way to distribute industry rationally.

A relatively independent local industrial system, including heavy and light industry, basic and processing industry, will enable a locality to meet, to a certain extent, local needs in developing industry and supporting agriculture and of people's livelihood. In

creating such an industrial system and bringing about a rational distribution of industry, it is necessary to build a still greater number of small and medium enterprises while continuing to erect a number of big enterprises as the mainstay.

More small and medium enterprises will make full use of the abundant but scattered natural resources. For example, the southern provinces have coal, but the deposits are scattered. In the past, because of blind faith in big coal mines, such coal was not worked. Since the Great Proletarian Cultural Revolution, the absurdities spread by the renegade, hidden traitor and scab Liu Shao-chi and company, such as "there is no coal south of the Yangtze River" and "the coal is not worth mining," have been shattered and a great number of small and medium coal mines have been started in a short time. Coal output thus has increased by a big margin and this has begun to change the irrational situation in which coal had to be brought south from the north.

Building more small and medium enterprises will enable a locality to process for local consumption so as to avoid transport. Some agricultural and side-line products, in particular, should be processed locally. For instance, the longer sugar-cane is transported, the more sugar content is lost and the higher the cost of production. It is both economical and rational to make sugar locally.

Building more small and medium enterprises, building small iron and steel, machinery and chemical fertilizer plants, small coal pits, small power stations, small cement plants and other local industries in the light of local conditions, and developing industries for processing farm and side-line produce and for making and repairing farm machines at and below the administrative region or county level—all this will bring industry closer to agriculture, better serve farm production and promote farm mechanization. At the same time, these plants can make full use of the rural labour force, increase the accumulated funds of the communes and brigades and the income of the commune members, help consolidate the collective economy and strengthen the worker-peasant alliance.

Building more small and medium enterprises will help develop production in remote areas and localities inhabited by the minority nationalities and speedily change their backward economic situation. Since these areas are economically underdeveloped, it is difficult for them to build big enterprises all at once. However, they have all the conditions and possibilities to build a number of small and medium enterprises according to their own needs and by their own efforts.

Having laid such a foundation, it will be much easier for them to continue to advance.

At the same time, building more widely dispersed small and medium enterprises meets the needs of preparedness against war. From a long-term point of view, this will help integrate industry with agriculture and town and countryside, thereby providing conditions for eliminating the three great differences: between workers and peasants, town and countryside, and mental and physical labour.

Guided by our great leader Chairman Mao's brilliant instructions, China's provinces, municipalities and autonomous regions are, step by step and at different levels, building their iron and steel, coal, power and farm machinery industries. More than 20 provinces, municipalities and autonomous regions have already started serial production of motor vehicles. Chemical fertilizers and cement produced by small enterprises scattered all over the country now account for more than one-third of the national output of these products. This has effectively improved China's industrial distribution and laid a good foundation for localities to build relatively independent industrial systems.

Simultaneous Development of Big and Small and Medium Enterprises Facilitates Constant Innovations in Industrial Techniques

When small factories and indigenous methods are mentioned, those who pine for big and foreign things imagine that these are "backward." Such people believe that only the most up-to-date, high quality and precision equipment can turn out the most up-to-date, high quality and precision products and that only big modern factories can develop new techniques. They do not understand that constant innovations in industrial techniques come only in the course of production. The more industry extends in scope and the richer the practice in production, the faster the technical development.

Chairman Mao points out: "We cannot just take the beaten track traversed by other countries in the development of technology and trail behind them at a snail's pace." Developing and adopting new techniques are important measures for building socialism with greater, faster, better and more economical results and for rapidly modernizing China's industry. The principle of the simultaneous development of big and small and medium enterprises opens broad vistas for hundreds of millions of people to go in for technical innovations with vigour and fully displays the wisdom

and ingenuity of the Chinese working people, thereby promoting the constant improvement of technique and helping the people scale the heights of world science and technology.

In the current high tide of grasping revolution and promoting production in industry, large numbers of small and medium enterprises have become a shock force in constantly making technical innovations. Holding high the great red banner of Mao Tsetung Thought, these plants, though they are small in size, have high aspirations, do away with fetishes and superstitions and are not afraid of difficulties. With hearts dedicated to the revolution and using their hands, workers at these plants rely on their own efforts to make the most up-to-date products. As a result, they have created many new techniques which are up to or surpass advanced world levels. Practice proves that small and medium enterprises can play a tremendous role in developing and mastering new techniques.

In large numbers and widespread, small and medium enterprises enjoy the advantage of making use of the masses' wisdom and creativeness.

Like a "blank sheet of paper," these enterprises are free from any burden or convention. Bold in undertaking innovations and making inventions, they can be pioneers in exploring new techniques.

These enterprises have the advantage of flexibility and adaptability and can be set up without much difficulty. They make full use of existing simple equipment, start with indigenous methods and are able to change the varieties of products at any time and trial-produce new products. They can act as the vanguard in developing new industries.

Many small and medium enterprises now make the most up-to-date, high quality and precision products which were formerly regarded as things that only big and modern factories could make. The methods become more ingenious and the road these enterprises take grows broader. Many indigenous methods are the crystallization of the inexhaustible wisdom of the Chinese working people and are by no means "backward" methods. Still less are they what the modern revisionists foolishly call "a choice between evils." Indigenous methods are ingenious methods by which many things can be done with less investment. They are methods characterized by self-reliance. Some are the most advanced technical achievements and conform to objective laws.

While developing and adopting new techniques, we do not indiscriminately exclude the useful ex-

perience of foreign countries. But, we must not mechanically copy or imitate them. We must resolutely reject the slavish comprador philosophy which regards everything foreign as good. In fact, not all foreign techniques are advanced. Even many of the techniques of the 1960s are backward. For instance, an imported set of the vinylon equipment in Peking at first was considered the most "advanced." In actual production, the masses found that many links in the equipment were very backward. By all-out introduction of technical innovations, they removed a great number of parts and succeeded in doubling the productive capacity of the equipment. Therefore, we should adopt an analytical attitude to things introduced from abroad and follow the method of first using and then criticizing, renovating and creating. We should never have blind faith in them.

The attitude towards the principle of simultaneously developing big and small and medium enterprises is, in the final analysis, one towards the masses and the mass movement. This principle is an application of the mass line and vigorous mass movement to building industry. Its enormous vitality lies in the ability to bring into full play the initiative and creative spirit of hundreds of millions of people for building socialism. Without this simultaneous development, it is impossible to bring into full play the initiative of both the central and local authorities, impossible to rapidly develop local industry, especially county-run and commune-run industry, and impossible to draw hundreds of millions of people, including the poor and lower-middle peasants and urban inhabitants, into the great contingents engaged in industry. Therefore, without broad mass movements in industry, it would be impossible to achieve greater, faster, better and more economical results in industrial production and construction.

Guided by Chairman Mao's great strategic principles "**Be prepared against war, be prepared against natural disasters, and do everything for the people**" and "**Grasp revolution, promote production and other work and preparedness against war,**" a nationwide movement to increase production and practise economy is surging ahead on China's industrial front. The scene throughout the country is one of vitality. The big plants are the mainstay and they can lead the smaller ones. On the other hand, the smaller ones can propel the big ones. The big and small and medium enterprises can learn from and propel one another and work in co-ordination for common progress. All this is a powerful stimulus for a new leap in the national economy and can ensure that the principle of the simultaneous development of big and small and medium enterprises will make for more outstanding results.