

## Central Directive on Taking Over Bureaucratic Capitalist Enterprises

(January 15, 1949)

Tianjin Municipal Committee informs the Beijing Municipal Committee and all Central Bureaus, Sub-Bureaus, and Front Committees:

1. After the liberation of Tianjin, when you send people to take over bureaucratic capitalist enterprises, you must strictly ensure not to disrupt the original organizational structure of the enterprises. For the factories, mines, railways, postal services, telegraph, banks, etc., that have been taken over, if the original factory managers, mine directors, bureau chiefs, engineers, and other staff have not fled and are willing to continue their service, as long as they are not saboteurs, they should be allowed to retain their original positions and continue their work. Military control committees should only send military representatives to supervise their work, and not replace them as factory managers, bureau chiefs, or supervisors. If the main person in charge of an enterprise has fled, suitable personnel should be selected from the workers of that enterprise to act as agents. Only when it is impossible to select suitable personnel or when the people, we send are familiar with the enterprise and can manage it without difficulty, should they be appointed to take charge of the management. The various organizations and systems within the enterprise should also be maintained as they were, and should not be arbitrarily reformed or declared obsolete. The old actual wage standards, grades, and long-standing reward systems, labor insurance systems, etc., should also be maintained as they were and should not be cancelled or arbitrarily revised. If there are some parts of the old system that need improvement, the specific revision methods should be proposed only after careful study later, and it should not be done hastily or by rigidly applying the systems from enterprises in the old liberated areas. Only in this way can our takeover personnel maintain initiative; otherwise, they will immediately fall into a passive position.
2. (2) The military representatives we send to various enterprises (i.e., takeover personnel) should, for large enterprises, appoint a responsible overall representative. Additionally, they can be deployed to various departments (and when necessary, to various workshops, stations, and sections) and be commanded by the general representative. A supervisory department or political department can be established as needed. The duties of these military representatives are:
  3.
    - a. Ensure the implementation of superior orders.
    - b. Ensure the progress or restoration of production.
    - c. Prevent sabotage, slowdowns, and investigate reactionary elements.
    - d. Prevent theft, embezzlement, and waste.
    - e. Provide political education and propaganda to workers and select cadres from among them.
    - f. Assist workers in organizing trade unions and consumer cooperatives.
    - g. Understand the conditions within the enterprise and learn about production management.
4. To accomplish these tasks, military representatives should have the authority to supervise all activities within the enterprise, gather information about all situations, receive reports from relevant personnel, and sign on all orders and instructions. If there are issues with the progress or disruptions in production, a thorough investigation should be conducted, responsibilities clarified, and individuals found to be engaging in sabotage or slowdowns

should be handed over to the people's court. The Communist Party branches and members within the enterprise should be led by the military representatives to assist in achieving the above-mentioned tasks. In other words, "military representatives do not directly manage production but supervise the original personnel to ensure that production can continue as before." This is relatively straightforward.

5. Regarding the political institutions of the reactionary Nationalist rule, such as the Nationalist Army, police, courts, prisons, and various levels of government structures, they must be thoroughly destroyed and cannot be utilized. We must establish new political institutions for governance, and individuals who previously served in old political institutions must only be appointed after undergoing transformation. They cannot be appointed without transformation, or else we will commit a principled error. However, for business and production structures organized by the old ruling class, after overthrowing the old owners and replacing them with new ones, they should not be destroyed but maintained. Gradual improvements should be made based on the scientific standards of the revolutionary class. This has been repeatedly emphasized by Marx and Lenin and is entirely correct; we should follow this approach. Some places where takeover personnel completely disrupted the original organizational structure made a mistake that hindered production. This mistake should not be repeated.

Central Committee