

Hundreds of police break up factory occupation in China

John Chan**13 September 2004**

In the early morning of August 30, around 1,200 paramilitary police officers, security personnel and plain-clothes police stormed the Banan Special Vehicle Factory in the Chongqing municipality of Sichuan province to forcibly break up a 12-day occupation by workers. The protest was sparked by the corrupt sale of the state-owned enterprise and concerns over back-pay and jobs.

A retired worker told Radio Free Asia that police blocked the entrances of nearby workers' apartments to prevent them from joining the protest. Clashes with workers occurred when riot police forcibly entered the factory and at least one old woman had her arm broken. "Most workers are extremely angry," the worker said.

She told the reporter that 90 percent of workers at the factory were owed wages, even before "restructuring". The government and management had promised to pay them, but no money had materialised. Moreover, some workers' wages were as low as 80 yuan (\$US9) a month.

Protest leaders issued appeals for help on the dissident Internet website—the *World of Workers and Peasants*. They described the situation in the factory as a "white terror" with brick walls being built to fortify the buildings, and searches being conducted for strike leaders. About 100 security personnel were guarding the entrances to the factory.

The incident is typical of the violent police methods used to enforce the sale of state-owned enterprises—a process that has resulted in millions of workers being thrown out of a job and cheated of wages and pensions.

The factory was previously operated by a government weapons manufacturer, Unit 3403, under the Chengdu Military Zone. Like many other state-owned firms, it went bankrupt in June under managing director Zhang Ermao, who was accused of systematic financial plundering.

Under Chinese law, the bankrupt enterprise had to be auctioned publicly. However, a group of corrupt government officials and businessmen decided to sell the

factory, estimated to be worth 200 million yuan (\$US24 million), for just 22 million yuan to the private company Naide, run by Lin Chaoyang.

Managing director Zhang had already been "cooperating" with Naide since 2002 in helping to "restructure" the factory's operations. Naide had itself been a state-owned plant before being taken over by its former manager Lin. As part of this "cooperation", Naide exploited the Unit 3403 factory to produce vehicles and motorbike engines for its subsidiaries, ending in the unit's bankruptcy.

Zhang immediately went into hiding once the factory was declared bankrupt to avoid workers who were demanding that he explain and secure their jobs and pay. It was later found out that he had been appointed to a highly paid managerial position with Naide and had enjoyed a holiday in the western province of Xinjiang, leaving the unit's workers to fend for themselves.

The deal to sell the factory was done behind the backs of workers. When the news spread, workers resolved to occupy the factory on August 18 to demand the government provide an explanation and punish Zhang for the corrupt sale. At the same time, they declared that if the plant were to be sold for 22 million yuan, then the 3,000 employees would raise a fund of 30 million yuan to buy the factory and run it themselves under "democratic management".

The following day, the Banan district government, as well as the police bureau and officials from the Chongqing economic commission, confirmed the sale and warned the workers to withdraw. On August 19, Zhang and Naide's boss Lin sent some 60 thugs to try to intimidate the workers.

Over the next two days, Lin forced all male employees working at his company to cancel their weekend leave and sent them by bus to attack the occupying workers at the 3403 factory. However, many refused to participate after

the unit's workers explained what had happened.

At the same time, using the pretext of conducting an "investigation", police entered the factory and tried to arrest the strike leaders but they escaped. An attempt by Lin to buy off the workers' leaders with a bribe of 400,000 yuan was rejected.

On the morning of August 24, the city committee of the Chongqing Communist Party organised negotiations with the workers and demanded to enter the factory. Workers agreed but refused to allow the officials into the financial department, which contained the evidence of malpractice and corruption. As the purpose of this ruse was to destroy the incriminating financial evidence, "negotiations" collapsed.

The following day, 300 police appeared at the factory, declaring that the property already belonged to Naide and thus the occupation was illegal. They refused to listen when workers demanded the presentation of the legal documents of the sale and the opening the company's books, insisting that the "illegal private company gets out of here".

"The factory is bankrupt and employees' legal rights must be protected," workers said. "We need redundancy pay and money for food and health care. Because of the lack of money for sick workers, three people have already tried to commit suicide by jumping from the top of buildings. Two are dead and one seriously injured."

During the protest, the unit's workers have made several appeals on the Internet. In a letter published on August 27, an organiser explained that similar incidents had been taken at several state-owned factories in the region in recent years, only to be brutally suppressed by the Chongqing police bureau. "Now the tragedy is turning on us," he wrote.

The organiser denounced the crimes of managers and Communist Party cadre in looting the "hard labour of workers' blood and sweat". He said they had used the company's money to set up businesses for their families and had been involved in illegal trade contracts to plunder state-owned assets. At the end of the year, management shared the annual dividend amounting to hundreds of thousands of yuan, but gave little to the employees.

After this letter appeared, the organiser disappeared. On the eve of the August 30 police crackdown, other workers raised concerns on the Internet that he and other organisers may have been arrested, because the Chongqing branch of National Security Bureau (the secret police) reportedly had become involved.

The vicious state repression used to end the factory

operation demonstrates once again that the Stalinist leadership in Beijing has nothing to do with socialism. From top to bottom, the bureaucracy is guided by the slogan first enunciated by late Chinese leader Deng Xiaoping: "To get rich is glorious". Over the past 25 years, officials from the local to the national level have engaged in the looting of state-owned enterprises at the expense of tens of millions of workers, while opening up the country for foreign investors and the capitalist market.

Workers from the Unit 3403 factory wrote a letter to Wu Guangzheng, a powerful member of the Communist Party Politburo Standing Committee, appealing to him to stop the violent attacks and to act on their demands. But they received no response. After the police crackdown on August 30, workers warned that they would not stop their campaign and issued a defiant statement denouncing the government.

"The Chongqing government thinks they are safe now after suppressing workers at the 3403 factory but they forget that incidents like this are taking place everywhere in China. The highest decision-making body should also not think this is just an isolated phenomenon. If this type of 'restructuring' to privatise state-owned assets allows entrepreneurs to continue and spread, all of China will burn in a fire of revolution..."

"If the Chinese government doesn't want to collapse, doesn't want an escalation of large-scale social unrest and wants to maintain social stability, then it must stop 'restructuring' and privatisations as soon as possible. Otherwise, a working class revolution is inevitable, it is just a matter of time."



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