Nantes, France: Workers conduct five-day occupation of Goss International factory

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On Friday, March 6, workers at the Goss International plant in Nantes, France occupied the plant. That morning, the 300 workers at the factory had been informed that assembly facilities were to be transferred to the company's second French factory based in Montataire, north of Paris.

Goss International is a leading manufacturer of newspaper printing machines, with factories in the US, France, the Netherlands, Japan and China and a total workforce of some 4,000 employees.

The Nantes factory director, Eric Normand, who has been identified with growth of the factory's business over the last 14 years, was fired overnight by the company's board of directors when he refused to accept the decision to close the plant. The occupying workers also demanded reinstatement of the plant director.

The occupation continued over the weekend. Workers were persuaded to end their occupation on Wednesday, March 11, following assurances from union leaders that certain operations at the plant could be maintained and that they would fight to save "as many jobs as possible."

According to Jean Luc Bonneau, the delegate of the French trade union CFDT: "The site is viable. In five years it has reported €50 million in dividends to shareholders. Its closure has no justification." But Bonneau is not telling the full story.

In fact, the decision to close the factory at Nantes is only understandable if one examines the company's background. Goss International is owned by a single shareholder, hedge fund MatlinPatterson Global Opportunities Partners, which intends to sell off the entire company to raise cash for new investments in "distressed" businesses. MatlinPatterson is one of the leading "vulture funds" that specialize in buying financially weak businesses and selling them off at a high margin after restructuring.

The main reason for the closure is not that "the production capacity of the two French sites was higher than the order backlog," as Jean-Luc Bonneau announced to the stunned employees in Nantes, but rather the desire to ensure the profits of the vulture fund for the sale of the company to any potential buyers. These buyers are already waiting for the current management to finish the dirty work of "consolidation" before they snatch the filet slices out of the mess.

There are reportedly two possible buyers for the company: Manroland of Germany, with the financial backing of Allianz Capital Partners, and the Chinese giant Shanghai Electrics, which is already the joint venture partner of Goss International at the company's Shanghai facility. Neither buyer is particularly interested in retaining production sites in Europe. Manroland has its own high-capacity production sites in Germany; Shanghai Electrics would prefer to produce in China with the benefit of much lower wage and salary levels compared to France.

It would also be a mistake to believe that the bloodletting at Goss would end after the closure of the facility in Nantes and there is no guarantee that the Goss employees in Montataire would keep their jobs. Employees at the company's plants in France, the US, Japan and China have been subjected to furlough and selective job cuts for months. But union leaders have provided no company-wide perspective to Goss workers to defend their interests.

The spontaneous occupation by Nantes employees was a courageous response to management intimidation.

It is necessary, however, to cut through the fog dispersed by management with its talk of "market realities," such as the decreased demand of printing machines as a consequence of the financial crisis. Recognition that production capacity exceeds the order backlog does not reveal the essence of the problem. The critical point is that production of printing machines in a capitalist society takes place first of all to generate profit, not to satisfy society's need for books or newspapers.

The trade unions argue that they can protect most of the jobs threatened by sacrificing a certain percentage of workers. This strategy has already had catastrophic consequences in the case of the Nokia factory closure in Bochum, Germany, General Motors factories in Detroit, the Opel crisis in Germany, Saab in Sweden and many others.

Against this background, Goss International employees of Nantes should reject the promises now being made by company management, which has expressed some vague willingness to "consider" alternative solutions, of pledges from the local mayor to raise funds. These promises will not create new jobs!

They should also oppose the stance taken by the representatives of the CFDT, Secretary Wilfried Belloir and Jean Luc Bonneau, who are seeking to disarm workers by claiming the task is to fight to save "as many jobs as possible," and negotiate favorable compensation payments for the laid-off employees. Union leaders have expressed hope that certain parts of the factory could be retained, such as the technical service and research and design departments. It was on this basis they were able to persuade workers to call off their factory occupation on March 11.

It is only possible to defend the jobs of Goss employees in Nantes on the basis of a principled fight to defend all jobs at all international locations. This in turn demands a break with the strategy of the trade unions and the setting up of a factory committee which establishes contact with their colleagues in Montataire and all factories abroad.

The fate of workers cannot be left in the hands of unscrupulous hedge fund managers. A central demand of workers must be for the expropriation of such financial institutions and their resources, which should be subjected to democratic control and placed at the disposal of society as a whole.