Goss International closes its plants in France

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On July 25, employees of web offset press manufacturer Goss International in Montataire, France set garbage containers and company files on fire to protest the closure of their factory and the redundancy of 430 employees at production sites in Montataire and Nantes.

One day later, on the final day of production at the site, employees found themselves locked out. The company had closed its doors on order of a bailiff but still demanded that employees report their presence by ticking off their names on a whiteboard on the sidewalk.

Only seven years ago, the company employed some 1,200 workers in these two factories; since then, it has sacked more than 60 percent of the workforce.

The plant closure was meticulously prepared by the headquarters of the company in Durham, New Hampshire (USA), acting on behalf of the sole shareholder, Shanghai Goss. After having channeled all incoming press orders for machines normally produced in France to factories in Durham and in Shanghai—namely, an order from Britain worth 60 million euros—management filed for bankruptcy on April 3.

The Commercial Court of Compiègne appointed an administrator who investigated future options for these production sites. There was only one bidder for the bankruptcy assets of the company: the parent company of Goss itself. In four court sessions, the company headquarters haggled with the court for a bargain price of the assets, while the Democratic French Labor Confederation (CFDT) and the General Labor Confederation (CGT) trade unions ineffectually challenged the bankruptcy proceedings in court.

Goss International hardly budged from its first offer in bidding for company assets. It only changed from 94 to 123 the number of employees that could be rehired in the future European sales and service unit, while offering a low price for the fixed assets.

As there was no other bidder, the company took a tough stance. On July 10, Goss set an ultimatum to the unions and the works council either to accept the offer or lose everything.

On July 26, the Commercial Court of Compiègne delivered the final judgment. It allows Goss International-Europe to eliminate the factory's debts, evade payments due to its suppliers and to its employees, and buy back the factory's assets at a bargain price.

Goss will not pay a single cent in compensation to laid-off workers, leaving this instead to the French state administration—that is, to taxpayers. Goss will spend just 2.4 million euros to acquire assets and inventory, and €1.8 million for the transfer of 123 employees "with their vested interests on the date of transfer," indicated Mr. Hervé Diogo Amengual, Goss International-Europe's lawyer.

The Compiègne court ruling sets a precedent for French insolvency filings. Previously, labour laws prohibited a parent company from buying back bankrupt subsidiaries. The new ruling opens the door for large-scale restructurings of corporate assets to push through massive attacks on jobs, wages, and working conditions.

As the WSWS warned during the first wave of layoffs at the Goss factories in Nantes and Montataire, the strategy of the CFDT and CGT of challenging bankruptcy proceedings in court leads only to defeat. The unions' representatives at Goss International never sought to mobilize the working class in a struggle to defend jobs and to keep the plant open.

A broader struggle of the working class would have come into conflict with the pro-austerity Socialist Party (PS) government of French President François Hollande and therefore with the union bureaucracy itself, which functions as a corporatist instrument of the ruling class, funded by the state and the major companies, to stifle opposition in the working class.

Only an international struggle on a socialist program to mobilize the working class, including uniting workers of the printing machine industry, which have faced savage mass sackings around the world in recent years offers a perspective to defend jobs.

The closure of the production sites in Nantes and Montataire robs hundreds of workers and their families of their income and increases the unemployment in the Picardy region, which has been hard hit by factory closures and mass layoffs.

The unemployment rate in Montataire exceeds 20 percent, and 50 percent amongst under 25-year-olds. Besides the redundancies at Goss International, the region has in recent years lost 5,000 salaried workers of Chausson, a car manufacturer, then 3,000 at steelmaker Arcelor, and 255 at Still-Saxby.