



## **China Labour Bulletin**

**July 2003**

### **The Liaoyang Workers' Struggle: Portrait of a Movement**

**The Liaoyang Workers' Struggle: Portrait of a Movement (GP/01/2003)**

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# The Liaoyang Workers Struggle: Portrait of a Movement

## Contents

<b>CHINA'S WORKERS STAND UP: The Liaoyang Protest Movement of 2002-03, and the Arrest, Trial and Sentencing of the "Liaoyang Two"<sup>1</sup></b>	3-30
<b>Appendix One: Open Letter to the Leadership by Liaoyang workers</b>	31-34
<b>Appendix Two: The long and winding road:Two families destroyed</b>	35-37
<b>Appendix Three: Personal profiles of Yao Fuxin and Xiao Yunliang</b>	38
<b>Appendix Four: Selected Interviews with workers, officials And the families in Liaoyang</b>	39-52
<b>Appendix Five: Chronology of the protests</b>	53-61
<b>Appendix Six: Extracted text from the 330<sup>th</sup> Report of the Committee on Freedom of Association, ILO</b>	61-70
<b>Appendix Seven: Intermediate People's Court of Liaoyang Municipality, Liaoyang Province: Criminal Verdict</b>	71-75

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<sup>1</sup> This is an adaptation by China Labour Bulletin from a chapter by Trini Leung, author of a forthcoming book on labour organising in China 1998-2003.



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## CHINA'S WORKERS STAND UP

### The Liaoyang Protest Movement of 2002-03, and the Arrest, Trial and Sentencing of the "Liaoyang Two"<sup>2</sup>

#### *Introduction*

On 11 March 2002, several thousand workers from the Liaoyang Ferro-Alloy Factory in Liaoning Province marched in Democracy Road, the main street of Liaoyang City, to the headquarters of the city government. They were demanding government action to investigate the malpractice and misappropriation of funds that had led to the bankruptcy of their factory. Several thousand more workers from other factories who held similar grievances soon joined the Ferro-Alloy workers' demonstration. The workers, many of whom were in their fifties and older, were all protesting against retrenchment or long-standing arrears of wages, pensions and other basic living subsidies.<sup>3</sup> The Ferro-Alloy workers were unusually well organized and had a core of representatives who were prepared to negotiate with government officials. Six days into the daily street demonstrations, by now involving over 10,000 workers, the Liaoyang police detained several of the workers' representatives. These arrests triggered more demonstrations by even greater numbers of workers, who now demanded the release of their representatives as well. On 18 March, 30,000 workers were reported by the foreign press to have marched in the streets of Liaoyang, protesting against retrenchment, arrears and the recent police arrests.

The workers' demonstrations in Liaoyang were held against the backdrop of the annual convention of the national parliament, the National People's Congress (NPC) and of the government's "united front" body, the National People's Political Consultative Conference (NPPCC). As one of their key demands, the protesting workers called for the resignation of their local delegate to the NPC, Gong Shangwu, who was the former Mayor and Party Secretary of Liaoyang. The Ferro-Alloy workers alleged that Gong had been an accomplice of their plant director in the mishandling of the factory's finances. But in a television interview, made in Beijing at the NPC in March, 2002, Gong claimed that the problem of unemployment in Liaoyang had essentially been solved and that all unemployed workers were receiving a minimum monthly payment of Rmb 280 yuan. Gong's comment outraged the tens of thousands of unemployed and retrenched workers who had suffered months of impoverished living and who had never seen anything like a monthly payment of Rmb 280 yuan.<sup>4</sup>

The spring months of 2002 were marked by numerous large-scale workers' protests against factory closures, job retrenchment and wage arrears in many other parts of the country. The most important of these commenced on 4 March, 2002, six days prior to the first public demonstrations in Liaoyang, when no fewer than 50,000 retrenched workers in Daqing Oilfield (also in the north east of China) began a protracted series of protests in the streets of Daqing city.<sup>5</sup> The mounting wave of unrest in China's traditional

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<sup>2</sup> Adapted by China Labour Bulletin from a chapter by Trini Leung, author of a forthcoming book on labour organising in China 1998-2003.

<sup>3</sup> CLB, 11 March, 2002, [http://big5.china-labour.org.hk/big5/news\\_item.adp?news\\_id=1839](http://big5.china-labour.org.hk/big5/news_item.adp?news_id=1839)

CLB press release, 19 March, 2002, [http://www.china-labour.org.hk/iso/article.adp?article\\_id=2129](http://www.china-labour.org.hk/iso/article.adp?article_id=2129)

<sup>4</sup> After the interview, some protest banners referred to the statement and read "Give me my Rmb 280 a month".

<sup>5</sup> Please see the following links for a selection of CLB's reports on the protests in March in Daqing which involved at times up to 50,000 workers protesting against forced retrenchment; [http://www.china-labour.org.hk/iso/article.adp?article\\_id=2213](http://www.china-labour.org.hk/iso/article.adp?article_id=2213), [http://www.china-labour.org.hk/iso/article.adp?article\\_id=2214](http://www.china-labour.org.hk/iso/article.adp?article_id=2214)

industrial heartland soon caught the attention not only of the international media, but also of the country's top leadership. Police repression, in the form of widespread harassment of demonstrating workers and their families, coupled with the sporadic detention of key leaders and activists, proved – in line with the Chinese saying, “kill the chicken to scare the monkey” – to be the mainstay of the government's response to this startling new social development. However, there was also considerable vacillation and a wide divergence of approach, between different government departments and regions, in the official handling of the various workers' protests of 2002.

In Daqing, for a variety of reasons and also possibly because the Daqing workers directed their protests towards their enterprise, the Daqing Petroleum Administration Bureau, and called for meetings with high ranking enterprise leaders and not with municipal or provincial leaders, the unrest was resolved relatively quickly by a mixture of inducements and concessions from the authorities.<sup>6</sup> In Liaoyang, the policy pendulum swung between attempts to show a degree of latitude and tolerance towards the workers and the more hard-line tactics of police intimidation and repression. From the outset, a continuous stand-off between the local government and the protestors emerged, marked by numerous and regular street demonstrations led by the Ferro-Alloy workers and aimed at securing both their original demands and the release of their arrested representatives. For their part, the Liaoyang authorities tried for over a year to end the workers' protest movement through a combination of procrastination, false promises and apparent pacification, and crude attempts to divide and isolate the workers' leaders.

Predictably enough, the final outcome of this process was a resort by the local government to the time-honoured Chinese Government practice of legally branding the movement's leaders as being “dangerous elements” who posed a severe threat to social “stability and unity.” Thus, on 9 May 2003, following their trial on trumped-up charges of “subversion” in January 2003, and fourteen months after their initial detention, two of the principal leaders of the Liaoyang demonstrations, Yao Fuxin and Xiao Yunliang, were sentenced by the city's judicial authorities to seven and four years' imprisonment respectively. On 27 June 2003, almost inevitably, despite the best efforts of their lawyers and families, both Yao Fuxin and Xiao Yunliang's appeals were rejected without review or retrial.

Harsh and unjust though these prison terms undoubtedly were, they would most likely have been substantially longer had the Liaoyang workers not continued to publicly protest in their thousands for the release of Yao and Xiao during the course of 2002, and if the local labour protests as a whole had not continued to figure so prominently in the pages of the international news media over the same period. In this important sense, the Liaoyang workers' movement of 2002-03, though ultimately defeated by the government, can still be said to have won a significant victory – and hence the title of this report. It did so by virtue of its sustained, resolute and consistently peaceful nature, and through the widespread support and publicity it attracted from within the international labour movement, the global NGO and human rights communities, the world news media and foreign governmental observers, among others.

In this report, China Labour Bulletin records and pays tribute to the first lengthy large-scale and successful awakening of independent worker activism in China since the start of the Deng Xiaoping era of economic “opening and reform” in the late 1970s. Although largely silenced for now, the voice of the Liaoyang workers over the past year and more has sent forth a message of direct relevance and importance to many millions of workers

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labour.org.hk/iso/article.adp?article\_id=2527&article\_id=2527 , [http://www.china-labour.org.hk/iso/article.adp?article\\_id=2269](http://www.china-labour.org.hk/iso/article.adp?article_id=2269)

<sup>6</sup> There were no reported arrests or trials in the case of the Daqing labour unrest of March 2002; however, CLB is concerned about the fate of at least 60 demonstrators who were said to have been detained at various times during the protest movement there.

elsewhere in China who suffer daily from the same kinds of problems and hardships as they do. Among the most prominent of these are: widespread forced redundancies with little hope of future re-employment; lengthy wage arrears and denial of medical and housing benefits; endemic corruption by local officials who collude with local business interests and the police to engage in such things as factory asset-stripping, phoney investment schemes that lead to the disappearance of workers' hard-won savings, and opportunist enterprise bankruptcies that unnecessarily put millions of workers and their families on the breadline; and last but not least, the systematic suppression of any and all attempts by Chinese workers to exercise their internationally guaranteed rights to freedom of association and self-organization in defence of their basic livelihoods, occupational safety and personal security.

In short, the story of the Liaoyang workers' movement of 2002-03 contains a message of wide and urgent significance for the country as a whole, and one which the Chinese government will continue either to silence or ignore at its own peril.

### ***Background to the protests: Three years of corruption and mishandled complaints at the Ferro-Alloy Plant***

The demonstrations in the spring of 2002 by thousands of Liaoyang Ferro-Alloy workers and their colleagues from other local factories were not a spontaneous outbreak of discontent. They were the culmination of over three years of frustrated and prolonged attempts by the workers to draw the attention of the government to their complaints and demands. Unfortunately, the Liaoyang movement showed how a case of local economic and labour grievances which could in practice have been settled relatively easily, instead turned into a high-level political confrontation involving the repression and harassment of many of those involved, due mainly to the failure of various government departments to act swiftly on the workers' legitimate complaints. The sequence of events leading up to the trial and sentencing of Yao Fuxin and Xiao Yunliang – the "Liaoyang Two" – affords a vivid insight into the kinds of egregious injustices and abuses that millions of ordinary citizens have to live with every day in China; and it shows the virtual absence of any institutional channels through which they could effectively seek redress against official corruption or malpractice.

Liaoning Province has the largest number of state-owned enterprise (SOE) employees in China, and therefore also the largest number of retrenched and retired SOE workers in the country.<sup>7</sup> The Ferro-Alloy Factory was an old enterprise which started out as a small-scale smelting workshop producing phosphorus-based products. It was developed into a medium-sized SOE in the 1950s.<sup>8</sup> The factory has faced financial difficulties since the

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<sup>7</sup> At the beginning of 2001, Bo Xilai was appointed as the governor of Liaoning Province. Bo, a member of the CPC central committee, has enjoyed high acclaim as a 'clean' and competent top official.<sup>7</sup> Before he was promoted to head Liaoning Province, he was applauded for his success as the top official of Dalian City which had developed a relatively modernized port and a well-run commercial city. Bo claimed, in an interview in March 2002, that he needed at least five years to solve the immense problems of structural reform in Liaoning, which would involve 10 million workers. (See: <http://www.chinanews.com.cn/2002-03-10/26/168412.html>; <http://www.unn.com.cn/GB/channel286/287/695/200301/27/241468.html>.) He said his government had already spent Rmb 16 billion in improving the social security system in the province, and achievements included the creation of jobs and re-employment for 830,000 workers. According to Bo, by end of 2001, 510,000 workers who were removed from their enterprise-based social security systems had been transferred into the public social security system; but the remaining 60 percent of workers' accounts had yet to be transferred. Six million workers were registered in the social medical insurance scheme by end of 2001; while the other 30 percent of the total workforce had yet to be registered. (See: <http://www.chinanews.com.cn/2002-03-10/26/168412.html>.) Nearly five million workers have reportedly set up personal pension accounts, to be administered by the local government; but nearly two million more workers' accounts have yet to be processed.

<sup>8</sup> "Open letter to Jiang Zemin from the workers of Liaoyang Ferro-Alloy Factory", 5 March, 2002, [http://www.china-labour.org.hk/iso/article.adp?article\\_id=2390](http://www.china-labour.org.hk/iso/article.adp?article_id=2390) ;

1990s, just like tens of thousands of other SOEs. In 1995, a new official, Fan Yicheng, was appointed as the plant's Party Secretary and Director. In collaboration with the former mayor and Party Secretary of the city of Liaoyang, Gong Shangwu, Fan introduced measures to rescue the company by spinning off several production lines into independent companies.

By the late 1990s, however, Fan Yicheng had gained a reputation among the Ferro-Alloy workers as being little more than a self-interested manipulator of the factory's resources. They accused him of having misappropriated over Rmb 100 million<sup>9</sup> to spend on his lavish lifestyle, including sending his children to study abroad, and moreover of having links to local triad criminals.<sup>10</sup> Most seriously, the workers later found out that between 1995 and 2000, Fan had stopped paying contributions to the plant's pension and medical funds, leading to a deficit totalling Rmb 27 million. This later prevented 6,000 members of the workforce from drawing any pension payments or other social security benefits when they were made redundant.

Eventually, in late 2001, Fan Yicheng attempted to apply for bankruptcy, and in September 2002 he was taken into police custody on charges of corruption. However, the events leading up to and surrounding the Ferro-Alloy Factory's final closure merit close and careful scrutiny. First, late on the night of 17 May 2001, some officers from the Liaoyang court arrived in plain clothes at the factory, accompanied by dozens of trucks and a group of over fifty workmen, and began attempting to remove over 2,000 tons of [iron] ore from the warehouse. After the security chief at Ferro-Alloy alerted members of the factory's workforce, Yao Fuxin and eight other workers hurried to the factory to intervene, but they found themselves heavily outnumbered and were unable to prevent the theft from going ahead. The next day, 3,000 Ferro-Alloy workers staged their first demonstrations at the Liaoyang city government and demanded that an official investigation be carried out into the incident. Government officials promised to do so and to deliver their report within a week, but this never materialized.<sup>11</sup>

Second, under various PRC laws including the Bankruptcy Law, the decision of a plant's Workers and Staff Representative Congress (a congress controlled by the factory management and the Party), is required before a SOE can apply for bankruptcy and closure. In mid-October, 2001, Fan Yicheng convened a meeting of the Ferro-Alloy Workers' Congress to vote on his bankruptcy proposal. However, on the day prior to the meeting, the police detained three representatives of the workers; and on the day of the meeting, over 500 riot police were deployed in front of the factory and a number of workers were barred from even entering it. Two plain-clothes police officers were stationed in each of the thirteen areas where voting was to take place, with the result that some workers simply walked out in anger. Those who tried to cast opposing votes reportedly had their ballot papers torn up on the spot by the invigilating officials. It was no surprise, therefore, when the announcement came that the workers congress meeting had voted to "approve" the management's bankruptcy proposal.

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"Open letter to Liaoning provincial governor, Bo Xilai, from the workers the bankrupt Liaoyang Ferro-Alloy Factory", 5 March, 2002, [http://big5.china-labour.org.hk/big5/article.adp?article\\_id=2295](http://big5.china-labour.org.hk/big5/article.adp?article_id=2295);

"An open letter from the Liaoyang Ferro-Alloy Factory workers", 4 March, 2002, [http://big5.china-labour.org.hk/big5/article.adp?article\\_id=2291](http://big5.china-labour.org.hk/big5/article.adp?article_id=2291).

<sup>9</sup> Rmb 8 yuan is approximately equal to one US dollar.

<sup>10</sup> Corruption is rampant throughout China and Liaoyang province has been hard hit by the corruption of high level officials and their links to underground criminal gangs. In Shenyang, the capital of Liaoning province, the Mayor, Mu Suixin was arrested and tried for corruption after investigations uncovered an extensive symbiotic interlinking of City officials and local criminal gangs. Mu was sentenced to the death penalty with a two year reprieve in late 2001 and Ma Xiangdong, the deputy mayor was executed along with one other official. In total 15 top officials were removed from their posts along with 500 others. However, two of the people who had helped expose the scandals were imprisoned. Bo Xilai has himself been the subject of allegations of corruption by several journalists outside China.

<sup>11</sup> There are unconfirmed reports that court officials involved in the attempted theft incident at Ferro-Alloy were arrested shortly after the outbreak of the March 2002 mass protests.

Third, the Ferro-Alloy Factory was formally declared insolvent by the Liaoyang government and the court on 5 November, 2001, and shortly thereafter, several constituent parts of the factory were sold off to contractors who had close personal links to the Director, Fan Yicheng, and to various local government leaders. The workers thereupon requested access to an official investigation and assessment report that the government had prepared on the Ferro-Alloy insolvency, but this request was never met. Three days later, all equipment, materials, and other assets at the plant were removed by the local authorities.

And fourth, the factory's bankruptcy package – unilaterally decided upon by management – pledged retirement benefits of Rmb 300 a month to all workers who had worked for the company for over 30 years and also to those workers who had suffered serious (grades 1-6) industrial accidents; the remaining workers were offered retrenchment compensation of Rmb 600 for each year of service. In addition, workers who had incurred permanent injuries from less serious industrial accidents were each to receive lump-sum compensation of between Rmb 3,000 and Rmb 6,000. The Director also promised to reimburse at least half of the long-standing wage arrears owed to workers by the end of 2001. Around half of the workforce, including over 100 management cadres (among them the official "trade union" chairman), were re-employed by the plant sections that had earlier been sold off. However, for the most part, the terms of this settlement package turned out to be little more than empty promises. Over 3,000 Ferro-Alloy workers found themselves left without a job and with many months of unpaid wage arrears still owed to them. They were also unable to draw any pension or unemployment benefits beyond Rmb 182 a month – the city's minimum living wage level. Contrary to what had been promised in the official bankruptcy package, moreover, families of workers killed in industrial accidents received only the miserly sum of Rmb 70 a month.

Since 1998, the workers at Ferro-Alloy had been organizing numerous petitions to demand that the government take action to investigate the on-going corruption and malpractices by the factory's senior management, and calling on it to provide the workers with all the social and financial entitlements still owed to them by various government departments. Faced not only with the local authorities' consistent failure to do any of these things, but also with the factory management's refusal even to implement the terms of its own redundancy package, the workers at Ferro-Alloy began to lose all patience, and the autumn of 2001 they took steps towards setting up their own independent workers' representative congress. Estimates of the number of workers involved in this "independent union" vary from several hundred to over a thousand, and it is said to have elected about a dozen representatives charged with the task of negotiating on the workforce's behalf with the government and the factory management. (Among those elected was Guo Xiujing, a Ferro-Alloy worker, and also her husband, Yao Fuxin, a laid-off worker from the Liaoyang Rolled Steel Factory.)

Over the subsequent weeks and months, these elected representatives took the workforce's complaints to all the relevant official bodies: the Party Disciplinary Inspection committee, the Court, the Procuratorate, the Labour and Social Security Department, and even to the Complaints Office of the State Council in Beijing. Occasionally, they received vague promises that their complaints would be looked into – but in fact, this never happened. (Their petition, as the Chinese saying has it, "fell like a piece of stone to the bottom of the ocean".) Meanwhile, the retrenched Ferro-Alloy workers continued to endure rapidly mounting wage, pension and medical arrears.

Finally, the Ferro-Alloy workers decided they were not going to endure these injustices in silence any longer, and that they now had no option but to fight – openly but peacefully – for their entirely legitimate demands. Having knocked patiently on the doors of so

many different government offices, all to no avail, the workers had lost faith in using the traditional and sole government-sanctioned channel of recourse available to them. From now on, they resolved to take their demands on to the streets, as a means of building direct public pressure on the local government. Between October and December 2001, therefore, the workers staged three public protest marches on the streets of Liaoyang, each involving between 1,000 and 3,000 demonstrators. But still the government made no response. Sometime in the beginning of 2002, the director of Ferro-Alloy, Fan Yicheng, was taken away for investigation by the authorities. But he was released three days later and apparently then resumed all his leadership positions at the factory, holding them right up until the time of his arrest in September.

### ***Spring 2002: The start of the Liaoyang worker protests, and the initial government suppression***

On 5 March, 2002, the protesting Ferro-Alloy workers published four open letters. One was addressed to the nation's top leader, President Jiang Zemin; one to the provincial governor of Liaoning, Bo Xilai; one to the Party committee and government of Liaoyang; and another to the city's workers and citizens. (See below, Appendix I, for a full translation of the open letter to President Jiang.)

Early on the morning of 11 March 2002, several thousand workers of Liaoyang Ferro-Alloy marched in the streets to protest against their plant's closure and to demand the resignation of Gong Shangwu, the Director of Liaoyang People's Congress.<sup>12</sup> They were joined by several thousand more workers from other collapsing factories, such as the Liaoyang Textile Factory, Liaoyang Piston Factory, Liaoyang Instruments Factory, Liaoyang Leather Factory and Liaoyang Precision Tool Factory. The demonstrators first went to the Liaoyang court and demanded that the chief judge and chief Procurator should come out and explain what they were doing to reduce corruption in the city. No official emerged. The workers then marched to the city's People's Congress office to demand Gong Shangwu's resignation. They continued on to the city government headquarters and held a rally there to express their anger about Gong Shangwu, rising corruption, and the increasingly dire straits of the Ferro-Alloy Factory's workforce. Officials from the city government offered to meet with the workers' representatives; but the protestors replied that they had already lost faith in the local government and would only negotiate with senior officials from the provincial-level or central government. This first demonstration was not interfered with by the police and so there were no injuries or detentions. (According to some eye-witness accounts, the police had been deployed to the railway line that day, for fear of an attempted blockade by the protestors. During 2001, protesting workers from the Liaoyang Three Star Machinery Factory and the Liaoyang Textile Factory had blocked the railway on two separate occasions for over an hour.)

The local government initially responded to the 11 March mass demonstration with an unusual degree of restraint and tolerance. The following day, a 12-member delegation of leading officials – including the Deputy Secretary of the Municipal Party Committee, two Deputy-Mayors, the Party Secretary of the Politics and Law Committee, the President of the Court, the Chief Procurator, and the Director of the Public Security Bureau – was dispatched to meet with the workers representatives. In the course of this meeting, Deputy-Mayor Chen Qiang, promised the workers that their complaints would be diligently looked into by the government; and he specifically pledged that no arrests of workers' representatives would occur. The senior Liaoyang officials were currently away on a trip, Chen said, but they would attend to the workers' grievances upon their return.

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<sup>12</sup> The night before the mass demonstrations, officers from the Liaoyang PSB went to the houses of the organizers and workers' representatives at around 11 pm. However, all the workers' representatives were staying elsewhere that night to avoid detention.

The workers were promised, moreover, that the city government had allocated Rmb 4.4 million in order to pay back their cumulative wage arrears.

Only five days after this seemingly quite constructive and conciliatory meeting, however, the government broke the first of its pledges to the demonstrators. On 17 March, the first of the workers' leaders, Yao Fuxin, was secretly detained by the Public Security Bureau (PSB). Three days later, on 20 March, three more workers' representatives, Xiao Yunliang, Wang Zhaoming and Pang Qingxiang, were detained when the police broke up a second large demonstration in front of the city government's offices demanding Yao's release.<sup>13</sup> On 21 March 2002, the city's Baita District PSB office served notices on the families of the four detainees, stating:

Yao Fuxin and the others have violated Article No. 296 of the Criminal Law of the People's Republic of China<sup>14</sup> on March 17. This office has detained Yao Fuxin on suspicion of illegal demonstration. He is now under detention in Tieling [Iron Peak] City Detention Centre.<sup>15</sup>

On 30 March, the families of the four detainees were notified by the Liaoyang PSB that their relatives had been formally arrested the previous day.

On 21 March, during a third demonstration carried out by over 1,000 workers to demand the release of their four detained representatives, two more workers were taken into custody by the police. One was Guo Suxiang (52), wife of the detained Pang Qingxiang; the other was a worker from a Liaoyang fabric factory who had merely asked the police on what grounds they had arrested Guo Suxiang. Both were reportedly released shortly afterwards.

Another worker's representative, Gu Baoshu, fared considerably worse. He was also taken into custody on 21 March, but managed to escape with the help of his fellow workers later that day from the government compound where he was being held by Gong Yi, the head of the Municipal PSB. For this, Gu was reportedly harassed and beaten by the police over the following days.

Soon after the 21 March demonstration, in order to avoid further arrests, the workers decided to suspend their public protests for the meantime, and instead to send several representatives, including Gu, to negotiate with the government for the release of Yao Fuxin and the other three detained leaders. (The police had been seen trying to hunt down several other workers' representatives during the 21 March protest, but they had already all gone into hiding.) On 16 April, at around 8:40 in the morning, Gu Baoshu heard a knock on his door. Seeing two strangers outside, and fearing that they might be individuals sent by corrupt local officials to take revenge on him, he immediately dialled 110 to alert the police. To his surprise, the two men proceeded to open the door with a key. When he asked them for identification, one of them replied: "Why do we need papers for your sort?" They then ripped out the telephone line, pushed Gu to the ground and beat him up. Taking two ties and a jacket from Gu's wardrobe, they wrapped the jacket around his head, fastened one tie around his neck and the other around his feet, and escorted him downstairs. They ran into a workers' picket in front of the building, but

<sup>13</sup> Yao Fuxin, Xiao Yunliang and Pang Qingxiang are all in their fifties, and Wang Zhaoming was then 39 years old; all but Yao are laid-off workers from the Ferro-Alloy Factory.

<sup>14</sup> Article 296 of the Chinese Criminal law: "Whoever holds an assembly, parade, demonstration without application in accordance with the law or without authorization after application, or does not carry it out in accordance with the beginning time and ending time, place, and road as permitted by authorities concerned, and refuses to obey an order to dismiss, thereby seriously sabotaging social order, those personnel who are in charge and those who are directly responsible are to be sentenced to not more than five years of fixed-term imprisonment, criminal detention, control or deprived of political rights".

<sup>15</sup> Interview broadcast on RFA on 22 March, 2002; also from [http://www.china-labour.org.hk/iso/article.adp?article\\_id=2384](http://www.china-labour.org.hk/iso/article.adp?article_id=2384).

a group of police stationed outside pushed aside the picketing workers and Gu was whisked away in a police car.

After the forcible removal of Gu Baoshu from his home, scores of his fellow workers from Ferro-Alloy began to gather around outside his block to enquire what had happened. The Chief Secretary of the city government quickly arrived at the scene and attempted to pacify the workers. Then and there, the workers submitted to him an application to stage a demonstration on Gu's behalf, threatening also that if Gu Baoshu was not promptly released and the application to demonstrate was not approved, they would either carry out a collective petitioning visit to Beijing or else they would blockade the railway line. Later that evening, Gu was released by the PSB after being given five yuan and a pair of flip-flops to see him on his way home.

### ***Summer 2002: Both sides dig in their heels***

Over the next few months, the Liaoyang workers – sometimes in their hundreds, sometimes in their thousands – continued to hold daily or weekly demonstrations in front of the city government offices to demand the release of their four detained representatives. On numerous occasions, the demonstrators tried to apply to the PSB for a permit to conduct public protest marches but these were always turned down. As the sensitive occasion of the May Day national labour celebration approached, the Chief Secretary of the Liaoyang government and the chairman of Liaoyang city trade union paid frequent visits to the family homes of the movement's main organizers and activists, in an effort to persuade them to back down. On 8 May, about 20 workers took the bold step of personally signing their names on an application to the PSB for a permit to demonstrate. The application was again rejected, but the workers held their rally anyway to demand the release of their representatives.

In May, about two months after the outbreak of the initial demonstrations and arrests, the chief of the Liaoyang PSB, Gong Yi, was replaced. It is not known if Gong's removal was linked to the authorities' handling of the demonstrations or not. On 17 May, the deputy mayor of Liaoyang, Chen Qiang, reassured the family of Yao Fuxin that he and the three other detainees would be released very soon, provided the workers ceased their demonstrations. Taking these words in good faith, the workers suspended their protest actions – but yet again, the promised releases failed to materialize. In mid-June, Chen told the Ferro-Alloy workers that he would be able to inform them within a week as to whether their detained representatives would soon be released or, if not, when they would face formal prosecution proceedings. Up until the time of the trial of the Liaoyang Two in January 2003, this promise too was never fulfilled.

In the months following the initial mass protests, the government took significant steps towards meeting some of the economic demands raised by the Ferro-Alloy Factory workers. Some medical expenses were eventually reimbursed, salaries in arrears began to be paid in instalments, and the workers' pension insurance cards were issued. Various kinds of one-off assistance, including payments of several hundred yuan or several sacks of flour, were also given by the government to especially poor families from Ferro-Alloy. An example of the somewhat random and token nature of government efforts at this time, however, can be seen in an initiative of the local branch of the All China Federation of Trade Unions. In early April, 2002, a notice was posted at the Ferro-Alloy Factory entrance advertising the recruitment of over 100 skilled workers and technicians by a "sound and strong" private enterprise.<sup>16</sup> According to the notice, this recruitment drive was "motivated by thoughts of helping the poor and caring for retrenched workers". The proposed terms of employment included: a monthly wage of Rmb 450 - 650 yuan, a Rmb 1.5 lunch, a 9.5-hour working day, and no rest on Saturdays or Sundays. The

<sup>16</sup> CLB, [http://big5.china-labour.org.hk/big5/article.adp?article\\_id=2289](http://big5.china-labour.org.hk/big5/article.adp?article_id=2289).

notice stated that this 66-hour working-week offer had been co-ordinated and agreed upon by the Liaoyang municipal trade union (ACFTU). In fact, these working hours directly breached the PRC Labour Law – a piece of legislation that the ACFTU has on numerous occasions cited as being one of their “key achievements” in protecting labour rights and standards in recent years.

If the Liaoyang authorities sought to present themselves as being more cooperative over certain of the campaign’s immediate economic demands, they nonetheless maintained – by continuing to isolate and harass the protest movement’s leaders – a relentlessly hard-line stance toward any form of organized workers’ power.<sup>17</sup> Indeed, shortly after the relatively conciliatory response given to them by Deputy Mayor Chen Qiang, the Liaoyang workers received a chilling verbal assault from the ACFTU’s central leadership. In June, 2002, a spokesperson for the ACFTU stated at the annual conference of the ILO in Geneva that the four Liaoyang detainees had been arrested not merely for “illegally demonstrating”, but also because they had “burned cars and destroyed public property”. This previously unmentioned charge was repeated again by the ACFTU in Beijing on 11 November that year.

And worse was still to come. On 27 March 2002, the International Confederation of Free Trade Unions (ICFTU) had lodged a strong formal complaint with the ILO’s Committee on Freedom of Association over the continued arbitrary detention, in violation of the International Labour Convention No.87 (on freedom of association), of the four Liaoyang labour leaders.<sup>18</sup> In its September 2002 reply to the ILO on this complaint the Chinese government made the opportunistic, post-9.11-style allegation that the four workers’ leaders had “jointly carried out planned activities of terrorism and sabotage.”<sup>19</sup>

Such arbitrary smear tactics have long been the hallmark of legal proceedings in China against dissidents of all kinds, and in this case they were clearly an effort by desperate officials eager to destroy the public reputation of Yao Fuxin and his fellow detainees and to dissuade the international community from any further condemnation of the authority’s repressive tactics against the Liaoyang workers’ movement as a whole.

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<sup>17</sup> The protests at Ferro-Alloy may also have reached particularly unsympathetic personalities within the higher levels of the Liaoning provincial government. For example, the Chinese Communist Party Secretary of Liaoning, Wen Shizhen, who had been in top provincial government positions since 1986, was also the architect of the reform of Liaoning’s SOEs. Criticisms of the re-structuring of SOEs in the province would probably have been particularly offensive to Wen. He was appointed Party Secretary of Liaoning between 1997 and 2002, and the Director of Liaoning People’s Congress Standing Committee in January, 2003.<sup>17</sup> Wen appears from reports to be a hard-liner. In the immediate wake of the Liaoyang protests, on 2 April, 2002, Wen was reported to have reiterated the four key tasks of the Liaoning provincial PSB as: (1) to handle incidents of mass petitioning effectively; (2) to wage a far-reaching struggle against the evil cult of Falungong; (3) to continue the “strike hard” campaign on public order; and (4) to prevent the outbreaks of spontaneous incidents.<sup>17</sup> (A common government term for mass protests) Wen’s profile probably explains why the Ferro-Alloy campaigners decided to address their petition letter to the Provincial Governor, Bo Xilai, rather than Wen who is actually the most powerful official of Liaoning.

<sup>18</sup> <http://www.icftu.org/displaydocument.asp?Index=991215049&Language=EN>. Many national-level trades unions had also launched campaigns against the continued detentions of the Liaoyang workers. See appendix Five for details. <http://www.icftu.org/displaydocument.asp?Index=991215394&Language=EN>

<sup>19</sup> The relevant passage from the Chinese government’s response to the ILO reads in full as follows: “[Para] 433: At this time, a worker at the Liaoyang City Rolling Mill, Yao Fuxin, and three workers at the Liaoyang City FAF, Pang Qingxiang, Xiao Yunliang and Wang Zhaoming, jointly carried out planned activities of terrorism and sabotage, severely threatening public security, disrupting public order and damaging public property. As they had broken the law public security authorities summoned them for trial in accordance with the law, and applied forcible measures. In view of the fact that their behaviour violated the relevant provisions in the *Criminal Law of the People’s Republic of China* and the *Law of the People’s Republic of China Governing Meetings, Parades and Demonstrations*, on 27 March 2002 after approval by the Liaoyang City People’s Procurator, the public security authorities of Liaoyang City arrested Yao Fuxin and the other aforementioned persons in accordance with the law on charges of holding illegal meetings, parades and demonstrations. At present, records are being established to hear the case.” (See: “INTERNATIONAL LABOUR OFFICE GB.286/11(Part I), 286th Session, Governing Body Geneva, March 2003: 330th Report of the Committee on Freedom of Association,” p.107; available at: <http://www.ilo.org/public/english/standards/relm/gb/docs/gb286/pdf/gb-11-p1.pdf>.)

Despite the Chinese government's imposition of a complete news blockade on any coverage of the Liaoyang events within China itself, the movement's continuing high profile within the international media meant that the Liaoyang case had for months been the focus of close scrutiny and attention from international human rights groups, the United Nations, the International Labour Organisation, and also the ICFTU and numerous individual trade unions around the world. All of this no doubt formed the immediate context and reason for the Chinese authorities' sudden "revelations" that the Liaoyang Four had engaged in violent activities of various kinds, including "terrorism and sabotage", during the initial protest demonstrations of March 2002.

However, when contacted directly by Han Dongfang, China Labour Bulletin's director, the local authorities in Liaoyang told an entirely different story from the one given to the international community by their distant superiors in Beijing and Geneva. Indeed, local government officials in Liaoyang, apparently unaware of these allegations of "car burning" and "terrorism" by Beijing officials, flatly denied that the demonstrating workers had engaged in any form of violence at all.

The following is a translated transcript of a telephone interview that Han conducted in early November 2002 with a Mr. Su, the chairman of the Liaoyang Municipal Trade Unions ACFTU).<sup>20</sup>

*HAN:* Was there any violence at all during the petitions?

*Mr. Su:* No! ... Everything was peaceful.

*HAN:* We have heard reports that Yao Fuxin was involved in burning cars.

*Mr. Su:* That is sheer rumour. There is no way that Yao Fuxin was involved in such activities.

*HAN:* None at all?

*Mr. Su:* No. No!

*HAN:* What was the most serious incident?

*Mr. Su:* Nothing was especially serious. They were just going to the government to petition and voice their views - nothing more than that. There was no violence or extreme behaviour of any sort.

*HAN:* From the perspective as trade unionists, would you say that any of the street activities actually constituted criminal behaviour? I mean purely from what they have done.

*Mr. Su:* Not that I can see.

*HAN:* Has the ACFTU headquarters been in touch with your offices in Liaoyang?

*Mr. Su:* No. I am not aware of it.

*HAN:* But you can confirm there was no car-burning?

*Mr. Su:* Absolutely! That is a rumour.<sup>21</sup>

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<sup>20</sup> Interview broadcast on RFA on 12 November, 2002; also from [http://www.china-labour.org.hk/iso/article.adp?article\\_id=3408](http://www.china-labour.org.hk/iso/article.adp?article_id=3408).

<sup>21</sup> Interview broadcast on RFA on 12 November, 2002; also from [http://www.china-labour.org.hk/iso/article.adp?article\\_id=3408](http://www.china-labour.org.hk/iso/article.adp?article_id=3408)

Similarly, in another interview conducted by Han Dongfang, this time with an official from the Liaoyang Government's Security Office (*Baowei Bu*) we received further confirmation that there had been no incidents of "car burning" or anything of a similarly violent nature at all during the workers' protest movement. Indeed, the only incident of a remotely "terrorist" nature turned out to have been that, at one point, a large number of workers had poured into the Liaoyang government office's canteen during lunch hour and had helped themselves to all the canteen's steamed buns. Again, here is the English transcript of the telephone interview:

*HAN:* Can you confirm for us that during the Ferro-Alloy Factory workers' petition in March, some cars were burnt? Did anything like that happen?

*Security Office:* No.

*HAN:* Not at all?

*Security Office:* No. Where did you get your information from?

*HAN:* We heard that Yao Fuxin had led workers in burning cars. Was there anything like that?

*Security Office:* No.

*HAN:* Was there any violence at all during the whole petitioning activity?

*Security Office:* We know that Yao Fuxin led the workers into the canteen and they stole all the food in there.

*HAN:* Which canteen?

*Security Office:* The government office's canteen. All the steamed bread got nicked. There were a lot of people there at the time and everyone went for it. Yao Fuxin was up on a platform shouting that there was food in the canteen and suggesting they go and eat it. Everyone just went up to the canteen.

*HAN:* I see. So that's what happened. So there was definitely no car-burning?

*Security Office:* No, there wasn't.<sup>22</sup>

### ***The government's spin-doctors increase their efforts***

As noted above, the charges on which Yao Fuxin and Xiao Yunliang were eventually brought to trial in January 2003 included both "illegal assembly and demonstration" and – much more seriously for them – the political charge of "subversion." The arbitrary nature of these final charges was only made all the more glaring and obvious by the frivolous manner in which different senior Chinese officials and departments proceeded to throw out into the public arena – and then just as swiftly and without explanation

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<sup>22</sup> See Appendix Four for the transcript of the interview broadcast on RFA on 12 November, 2002. The original sound recordings (in Chinese) of both the above interviews can be listened to on CLB's website at [http://www.china-labour.org.hk/iso/article.adp?article\\_id=3408](http://www.china-labour.org.hk/iso/article.adp?article_id=3408).

withdraw – a range of competing criminal charges (such as car-burning and terrorism) during the ten months or so in which the principal Liaoyang workers' representatives were being held in pre-trial custody.

It should be emphasized that this proliferation of rapidly changing charges and accusations against the Liaoyang detainees reflected more than just factual confusion or miscommunication between various levels and departments within the Chinese government apparatus. Rather, as the two interview transcripts presented above clearly indicate, the Chinese authorities knowingly pursued a campaign of misinformation and deceit toward the international community during the latter half of 2002. This deceptive posture eventually began to take on still more sinister overtones, as the government moved steadily in the direction of prosecuting Yao Fuxin and Xiao Yunliang on charges of "subversion." On 11 July 2002, a complaint on the case of the detention of the Liaoyang Four was submitted to the U.N.'s Working Group on Arbitrary Detentions, and in November of that year, the Chinese government provided its first detailed response to the complaint. According to the official statement given to the Working Group,

Yao Fuxin is not in fact an employee of the Liaoyang city Ferro-Alloy factory. In the course of the events alluded to above, however, Yao colluded with employees of the Liaoyang city Ferro-Alloy factory, taking advantage of their discontent to plan, instigate and carry out a number of destructive activities. Yao and his accomplices burst into the local government building, throwing the offices into turmoil, smashing public vehicles, blocking traffic and disrupting public order. The unlawful activities conducted by Yao and his accomplices seriously disrupted production activities in the city, as well as the inhabitants' daily lives and work routine, endangered public safety and property and provoked the strong disapproval of the general public. As Yao's conduct was in breach of relevant provisions of the Chinese regulations on the organization of assemblies and marches, on 27 March the public security authorities, acting in accordance with the provisions of article 296 of the Chinese Criminal Code, took him into criminal detention on suspicion of the crime of organizing an unlawful assembly, march or demonstration. Since Yao has been taken into detention, all his rights and interests have been fully protected, his state of health remains good and he has not been subjected to any form of torture.<sup>23</sup>

What Beijing strikingly omitted to inform the U.N. Working Group on Arbitrary Detentions in November 2002, however, is that a full three months earlier – on 15 August 2002 – the Liaoyang City PSB had (according to the prosecution's final indictment against Yao and Xiao) "discovered the [additional] serious crime of endangering state security...and [hence] decided to recount the time limit for [their] investigation and detention."<sup>24</sup> In other words, the principal criminal activities for which Yao and Xiao were actually being detained and investigated by the PSB at the time of the Chinese government's reply to the U.N. Working Group in Geneva in November 2002 were not in fact those of "unlawful assembly, march or demonstration". Rather, as the prosecution indictment later revealed, they centred squarely upon the defendants' alleged involvement in the officially outlawed China Democracy Party, a dissident organization that had been formed in 1998 and many of whose chief organizers had subsequently been convicted of "subversion" and sent to prison for periods of up to 13 years. ("Subversion," in the PRC criminal lexicon, is ranked as one of the most serious and dangerous forms of "endangering state security.")

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<sup>23</sup> [http://www.china-labour.org.hk/iso/news\\_item.adp?news\\_id=2309&subcategory\\_id=1000](http://www.china-labour.org.hk/iso/news_item.adp?news_id=2309&subcategory_id=1000)

<sup>24</sup> See: <http://www.hrw.org/press/2003/02/chinaindictment.htm>

In conveniently neglecting to tell the U.N. body about the new, and wholly political, criminal charges that were currently being prepared against the detained Liaoyang workers' leaders, the Chinese government was doubtless motivated by the desire to avoid any further accusations from the international community that its suppression of the Liaoyang workers' movement was itself politically motivated and not, as the government continued to maintain, aimed at "upholding the rule of law" in China. In particular, the authorities were concerned to pre-empt and deflect any potential criticism from within the U.N.'s Commission on Human Rights, where it had faced annual motions of censure over its dismal rights record since the military suppression of the Tiananmen Square pro-democracy movement in June 1989. Moreover, the official re-hashing in Geneva of the earlier allegations against Yao and Xiao of violent damage to public property, while a strict silence was maintained over the real impending charges of "subversion," was entirely consistent with previous Chinese government practice in this general area. In numerous earlier instances in which "political prisoners" cases have been raised in major international fora, the Chinese government has invariably sought to downplay the political nature of the charges against the detainees in question by insisting that they are simply "common criminals" who have broken specific articles of the criminal code (for example: theft, fraud, and illegal demonstration.)

Throughout the summer of 2002, an intense power struggle was raging within the most senior echelons of the Chinese Communist Party over the question of the reallocation and redistribution of top Party posts at the forthcoming 16<sup>th</sup> CCP Congress. At the Congress, which took place between 8 and 14 November, Jiang Zemin stepped down as Party General Secretary, to be replaced by Hu Jintao – an ambiguous political figure but one credited by many observers as being somewhat more liberal and reform-minded than his predecessor. Broader political considerations in China therefore doubtless influenced, to some unknown extent, the overall decision-making process by the Chinese authorities over the question of how best to handle the internationally thorny and sensitive issue of the trial of the Liaoyang workers' leaders. This may have contributed to the degree of uncertainty that seemed to prevail within the Chinese leadership – whether in Liaoyang city, at the Liaoning provincial level, or at the central level in Beijing – over whether to opt for a harsher or a more lenient judicial approach to the case of the Liaoyang Four.

For its part, however, the ACFTU continued as before to reliably second-guess the eventual wishes of its political overlords by taking an unwaveringly hard line against those (namely the workers) whose rights and interests it was ostensibly meant to be protecting. Right in the middle of the Party's 16<sup>th</sup> Congress, on 11 November 2002, the Deputy Chairman of ACFTU, Zhang Junjiu, repeated at a press conference in Beijing the same version of events as that heard at the ILO meeting in June. Yao Fuxin, said the ACFTU leader, "was detained because he had broken Chinese law by carrying out car-burning, and not because he had organised a workers' campaign".

In addition, certain statements issued by the Liaoyang authorities in the run up to the 16<sup>th</sup> Party Congress – to the effect that of the approximately 130,000 unemployed and laid off workers in the city, some 96 percent had now found gainful reemployment – served to further inflame the sentiments of those directly concerned – the vast majority of whom had certainly not found any new work and were still awaiting the large sums owed to them in previously unpaid wages and other due benefits.

### ***The trial and sentencing of Fan Yicheng***

On 26 July 2002, the Liaoyang news media reported that the former director and general manager of the Liaoyang Ferro-Alloy Corporation, Fan Yicheng, had recently been arrested by order of the Liaoyang city procuratorate on suspicion of engaging in serious economic corruption and malfeasance. A month later, Fan was put on public trial in Liaoyang on charges of misappropriating and smuggling large quantities of goods from the factory. According to official reports, two to three hundred workers from the Ferro-Alloy Factory watched the proceedings from the public gallery.

Since the Ferro-Alloy workers, who had turned out in their thousands to stage protest demonstrations in the Spring of that year, had publicly identified Fan as being the principal author of their misfortunes, his trial and that of the detained workers' leaders some six months later were clearly inextricably linked – both in a legal and a political sense. But the Liaoyang authorities went to considerable lengths to try to separate and divorce the two cases from each other.

On the one hand, the case of Fan Yicheng was depicted, improbably enough, as involving purely economic wrongdoings which had little or no bearing either on the vital matter of Ferro-Alloy's final closure or on the resulting mass unemployment and impoverishment of the factory's workforce. On the other hand, no official effort was spared in presenting the "crimes" of the detained workers' leaders in the most heinous political light possible, via the eventual levelling of charges of "subversion" against them. Although the latter trial was aimed mainly at a domestic audience – the Liaoyang workers themselves – its blatant politicization by the local authorities served also, of course, to mute or even cancel out the message of "strict legal process" which the central government had been trying so hard to send to the international community.

Fan Yicheng's sentence – to 13 years' imprisonment – was finally announced on 12 March 2003 (ironically, almost a year to the day after the first public protests by his employees.) According to the Chinese press, the Liaoyang Intermediate People's Court ruled that Fan Yicheng had engaged in "irresponsible conduct" that had "caused a large amount of state-owned property to be fraudulently diverted and lost." The reports also state that he had allowed the importation of unprocessed ores without proper authorization from the customs authority, and had engaged in the illegal processing and selling of raw ores for personal profit. Fan was found guilty on three criminal counts of "dereliction of duty, causing loss of state-owned property, and smuggling in ordinary goods."

A number of Fan Yicheng's closest business associates were tried at the same time. Liu Yongjia, the former manager of the Liaoyang Ferro-Alloy Factory's import and export department, and Cao Ce, former manager of the Liaoyang Ferro-Alloy Corporation's resources department, were both found guilty of embezzling public funds and were sentenced to 6-year terms of imprisonment. The Ferro-Alloy Factory's former director and assistant general manager, Wang Youguang, who had also been the manager of the Liaoyang Iron Ore & Ferro-Alloy Distribution Company, was convicted on the twin counts of negligence at work and illegally operating a business and was sentenced to four years' imprisonment and a fine of 20,000 yuan. The heaviest sentence was reserved for Liu Yongjia's son, Liu Zhe, the former marketing director of the Dalian Kaida Industrial Co. Ltd. – the largest of the various private companies into which Fan Yicheng was alleged by the Ferro-Alloy workers to have spun off large amounts of the factory's own wealth and resources. Convicted on charges of corruption and the embezzlement of public

funds, Liu Zhe was sentenced to 17-years' imprisonment and the confiscation of 270,000 yuan of personal assets.<sup>25</sup>

These sentences were quite severe by any standards. No mention was made at the trial, however, of the politically much more sensitive charge that the workers themselves had been raising for the past year and more: namely, that it was precisely this deeply entrenched network of official corruption within the Ferro-Alloy Corporation – presided over by Fan Yicheng and with the connivance of the local government for so long – which had led directly to the collapse of the Ferro-Alloy Factory and to the forced redundancy of most of the workforce. Indeed, nowhere in the local press coverage of the trial of Fan Yicheng and his associates was any mention made either of the continuing plight of the thousands of unemployed Ferro-Alloy workers, or of the fact that they had been conducting a year-long mass protest movement that was probably the most significant public event in Liaoyang's entire modern history.

### ***Late 2002: The workers' movement stands firm***

Unsurprisingly, many of the Ferro-Alloy workers and their families (including those of Yao Fuxin and Xiao Yunliang) were far from satisfied with the outcome of the trial. The court proceedings against Fan Yicheng and his associates had provided a tacit but unequivocal confirmation of the overall justice of the workers' long-standing complaints and grievances, but the links which the workers themselves had sought to draw between Fan's corrupt actions and their disastrous overall consequences for the workforce – the collapse and bankruptcy of the factory and the subsequent wholesale non-payment of workers' wages and other benefits and entitlements – had simply not been addressed. Instead of feeling placated and vindicated by the public trial and sentencing of their former bosses, as the government had no doubt intended they should be many of the Ferro-Alloy workers and their families once again felt that they had simply been cheated and sidelined by the authorities. So they decided to continue their protest campaign.

On 29 and 30 September, more than six hundred Ferro-Alloy workers petitioned the city government again, demanding the release of the Liaoyang Four before National Day on 1 October. But still the city government made no response.

By now, the four workers' representatives had been held in custody for over six months. Yao Fuxin was being held at a detention centre for ill offenders in Shenyang city, and on 9 October his family was granted their first prison visit with him since 13 May. (The three other detained workers held elsewhere were also allowed family visits around the same time.) At the detention centre, Yao Dan, his daughter, found that her father was still suffering from heart problems and hypertension, despite recent medication. He was in reasonably good spirits, however, and in the course of the brief prison visit he made a point of telling her: "I didn't say anything against the Party, and I didn't say anything against socialism. I was only appealing for the basic livelihood of the workers. The Party should not have arrested me... I have done nothing wrong."

In early November, about a week before the opening of the CCP's 16th Congress in Beijing, organizers of the Liaoyang protest movement pasted up numerous copies of three "Open Letters" – signed in the names of "Party Members," "Young Workers" and "Retired Workers" respectively – around the working class districts of the city. The open letters appealed to citizens to gather in front of the city government offices on 4, 5 and 6 November to demand the release of the four detained workers' representatives. The letters also contained calls for the government to issue unemployment allowances and

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<sup>25</sup> There are also unconfirmed reports that officers from the Liaoyang Court (including the chief of the Enforcement Department) who had participated in the illegal removal of materials from the Ferro-Alloy Factory in May 2001 were arrested and sentenced some time after March 2002.

welfare subsidies to all those living under the government-fixed poverty line, for the return of Rmb 2,000 that the Ferro-Alloy workers had each previously paid into a failed housing-scheme fund, and for the reinstatement of long-overdue and now officially cancelled heating subsidies.

On 5 and 6 November, between three and four thousand unemployed workers from various state-owned enterprises – including the Liaoyang Ferro-Alloy Factory, the Liaoyang Steel Rolling Mill, the Liaoyang Canning Factory and the Liaoyang Textile Factory, and led by the Ferro-Alloy workers – duly turned out to show their enthusiastic support for these various demands. Prominently displayed on the protest banners that they waved outside the Liaoyang government offices were the twin slogans: "Welcome the Party's 16th Congress" and "What Crimes did the 'Liaoyang Four' Commit?" Both demonstrations were eventually broken up and dispersed by the police.

Meanwhile, the government was busy making its final preparations to put the Liaoyang workers' leaders on trial. On 20 December, Wang Zhaoming and Pang Qingxiang were released from the Liaoyang city jail "on bail awaiting trial." Three days later, the City Intermediate Court notified Wang that the local PSB was pursuing a charge of illegal assembly and demonstration against him, and it advised him that he could now hire a defence lawyer. After Wang replied that he intended to sue the PSB for wrongful detention, he was detained again by police on 31 December but released later the same day. Around ten days later, both Pang and Wang were notified that all criminal charges against them had been dropped. The Liaoyang authorities had apparently decided that the legal scapegoating and punishment of just two of the original workers' protest leaders would suffice to send the requisite stern message of warning to the Liaoyang city workforce as a whole. So the Liaoyang Four now became the "Liaoyang Two": Yao Fuxin and Xiao Yunliang

On 22 December, the Liaoyang PSB completed its investigation of the case and on the same day formally applied to the Liaoyang Intermediate People's Procuratorate for a review of the police evidence and for an indictment to be prepared against the two detainees. A mere five days later, on 27 December, the Procuratorate sent its completed indictment to the city's Intermediate People's Court. The court then decided upon a trial date of 15 January 2003.

It was revealed in the indictment against Yao Fuxin and Xiao Yunliang that the PSB had decided to investigate the two for subversion as early as 15 August 2002, following the police's discovery of "new evidence." However neither the defendants nor their lawyers were notified of this major new charge until December 2002. It was also around this time that the detainees' families first learned that Yao and Xiao were being questioned for their alleged involvement with the outlawed China Democracy Party (CDP).

According to Article 96 of the PRC Criminal Procedure Law, a criminal suspect is allowed access to a lawyer either from the time of initial detention or as soon as the initial police interrogation has been carried out. (In Yao's and Xiao's case, this was in March 2002.) Article 36 of the same law further specifies that criminal suspects are entitled to meet and consult with their lawyers in order to prepare a defence from the day on which the procuratorate sends the bill of indictment to the court (27 December 2002). And according to Article 151, the court must provide the defendant with a copy of the bill of indictment no later than ten days before the actual trial.<sup>26</sup>

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<sup>26</sup> The relevant parts of the PRC Criminal Procedure Law (1996) read as follows:

Article 96: A criminal suspect may, after being first interrogated by an investigating organ or from the day coercive measures are taken against him, retain a lawyer to offer him legal advice, and to file a complaint or a suit on his behalf. [...]

Article 36: From the date of investigation and filing of the suit by the people's procuratorate, the defence counsel may look up, extract and duplicate documents and technically appraised materials of the lawsuit, as well as meet with and correspond with the suspect of the crime in custody. [...]

In the case of Yao Fuxin and Xiao Yunliang, all three of these statutory rights were violated by the authorities. Indeed, neither the defendants nor their lawyers were formally notified about the impending trial, or given copies of the indictment, until a few days before the trial was scheduled to take place.

Xiao Yunliang's defence counsel – his brother, Xiao Yunji – learned about the trial date only after making repeated enquiries with the procuratorate and other government bodies. On 7 January 2003, he asked the court if the trial was indeed scheduled for 15 January, as he had heard from Yao's family. A court official replied that no decision had yet been made. On the evening of Friday, 10 January, Xiao Yunji suddenly received notification that the case would be held on 15 January – leaving him and his co-counsel, Zhang Bingbing, with only two working days before the trial in which to prepare a defence case. (When CLB telephoned the Liaoyang People's Intermediate Court on 13 January to enquire about the trial date, we were informed by a court official that the date had still not been set and that they were "awaiting a decision from the leaders".)

Yao Fuxin met with his lawyer, Mo Shaoping,<sup>27</sup> for the first time on 10 January 2003. Mo had been requesting a meeting with his client since July 2002, but was repeatedly denied permission by the police. When he challenged the Liaoyang PSB on the legality of their obstructive stance, he was informed in late August that since the case involved "state secrets" (a reference to the new and undisclosed charge of subversion) the PSB had the right to deny Yao any meetings with his legal counsel. By the start of the second week in January, Mo Shaping had still not received a copy of the prosecution indictment from the court, and he was still unclear as to when the trial would be held.

During the week prior to the trial, all telephones lines to the homes of Yao Fuxin, Xiao Yunliang, Wang Zhaoming and Pang Qingxiang were disconnected by the authorities. Wang Zhaoming was re-detained briefly on 31 December 2002 and warned not to discuss the trial or to communicate with outsiders. As the trial date approached, police officers were stationed in the homes of all four families and also were deployed in large numbers in workers' neighbourhoods throughout the city, presumably in an attempt to prevent any workers' protest marches to the courthouse or other forms of public demonstration from taking place.

### ***The Trial of the Liaoyang Two***

On the morning of 15 January 2003, ten months after the initial mass outbreak of the Liaoyang worker demonstrations, Yao Fuxin and Xiao Yunliang went on trial on charges of subversion at the Liaoyang Intermediate People's Court.<sup>28</sup> The four-hour trial was

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Article 151: After the people's court has decided open the court session and adjudicate the case, it shall proceed with the following work: 1) determining the members of the collegial panel; 2) delivering to the defendant, no later than ten days before opening the court session, a copy of the bill of prosecution of the people's procuratorate; informing the defendant he may appoint a defender, if the defendant has not yet authorized one, or, when necessary, designating a lawyer to undertake the task of offering legal aid to defend the defendant. [...]

<sup>27</sup> Mo Shaoping is an outspoken and experienced lawyer who also worked on the case of dissident Xu Wenli as well as many other sensitive cases.

<sup>28</sup> The accounts of the trial are compiled from the following reports:

*Associated Press*, 15 January, 2003, "Chinese labour leaders await verdict in subversion trial,

"[http://story.news.yahoo.com/news?tmpl=story&u=/ap/20030116/ap\\_wo\\_en\\_po/as\\_gen\\_china\\_labor\\_protest\\_s\\_3](http://story.news.yahoo.com/news?tmpl=story&u=/ap/20030116/ap_wo_en_po/as_gen_china_labor_protest_s_3)

*China Labour Bulletin*, 15 January, 2003, "Yao Fuxin Accused of Communicating with Hostile Elements",

[http://www.china-labour.org.hk/iso/article.adp?article\\_id=3692](http://www.china-labour.org.hk/iso/article.adp?article_id=3692)

*Washington Post Foreign Service*, 16 January 16, 2003; "China Tries Labour Leaders Amid Protest",

<http://www.washingtonpost.com/wp-dyn/articles/A63290-2003Jan15.html> .

ostensibly open to the public, but in the event only a dozen or so workers and about five members of the defendants' families were admitted to the public gallery. The remaining 200 or so seats were occupied by senior municipal dignitaries, government officials and police officers.

According to Article 151 of the Criminal Procedure Law, the court is supposed to publicly announce forthcoming trials at least three days in advance. In this case it did so only one day before the trial, and when most workers then applied for admission they were told that no tickets remained. Nonetheless, despite heavy police deployments and sub-zero wintry winds, several hundred Liaoyang workers showed up outside the courthouse on the morning of the trial to register their protest. *"How is it a crime to ask for our wages?"* asked one unshaven worker, stamping his feet to stay warm. *"How can that be subverting state power?"*<sup>29</sup> The four main roads into the area had been closed off by the police around 5.00 am and a tight security cordon was in operation around the courthouse itself, but the police sensibly made no attempt to disperse the large crowd of workers.<sup>30</sup> No foreign journalists, overseas diplomats or other international observers were admitted to the trial, and a French journalist who attempted to enter the courthouse was detained and forced to return to Beijing.

Yao Fuxin and Xiao Yunliang were escorted into the courtroom wearing orange prison vests and handcuffs. The principle offences listed in the indictment against them under the heading of "subversion" were, first, their alleged membership of the outlawed China Democracy Party (CDP) and, second, their alleged contacts and communication with foreign journalists and "hostile elements." In addition, they were charged with instigating unlawful assemblies and demonstrations among the Liaoyang Ferro-Alloy workers in February and March 2002 and thereby disturbing public order. (Pang Qingxiang and Wang Zhaoming were named in the indictment as co-instigators, although all formal charges against them had already been dropped.) The government prosecutors summoned no witnesses to support any of these charges, thereby depriving defence lawyers of the opportunity to cross-examine them and refute the state's evidence.

The most striking and salient aspect of the above charges is that they all referred to non-violent activities connected with the defendants' exercise of their internationally guaranteed rights to freedom of association and expression.<sup>31</sup> The authorities' previous allegations that Yao and Xiao had "smashed and burned cars" and engaged in "terrorism and sabotage" – ones which, as noted earlier, had only ever been intended for international consumption anyway – were completely absent from the bill of indictment. In short, the government's "legal case" against the two men was in fact an entirely political one.

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<sup>29</sup> See: "Crowd at Courthouse Highlights Mounting Problem for Communist Party," Philip P. Pan, Washington Post, 16 January 2003.

<sup>30</sup> Even Mo Shaoping was subjected to four or five security checks before being allowed to enter the courthouse. Only after he had produced his lawyer's I.D. card was he allowed to proceed, and even then he had to be accompanied by a court official.

<sup>31</sup> The charge of "illegal assembly, demonstration and protests" was no exception: although Chinese law technically provides for the granting of permits to demonstrate and hold marches, in practice this is invariably refused by the PSB where the topic of the planned events in any way departs from or conflicts with the government's political line.

**Extracts from the Bill of Indictment against the Liaoyang Two<sup>32</sup>**

*Beginning in 1998, defendants Yao Fuxin and Xiao Yunliang met often in Yao Fuxin's shop to listen to "Voice of America" and "Radio France International," thus learning of the scheme by Wang Wenjiang (already sentenced) to establish a "China Democracy Party Preparatory Committee for the Three Eastern Provinces," which aimed to "realize a pluralist democratic political system." They then went to Anshan City to seek out Wang Wenjiang and expressed to him their wish to join the "Democracy Party." ...*

*They decided to convene the "First Provincial Congress of the China Democracy Party in Liaoning Province" on December 5 of the same year. At that time, the "Liaoning Province Party Branch of the China Democracy Party" would be established and the Constitution of the China Democracy Party would be ratified. However, the "party-building" activities in which they participated did not succeed after these were discovered and prevented by the Public Security Bureau...*

*On June 3, 1999, defendant Yao Fuxin went with others to Shenyang City [the provincial capital], [where they] participated in a memorial event for the June Fourth Movement organized by the "Democracy Party." ...*

*During February and March 2002, Liaoyang Ferroalloy Factory went legally bankrupt, and some laid-off workers who did not understand [the situation] were dissatisfied. Defendants Yao Fuxin and Xiao Yunliang took advantage of these objective conditions and met repeatedly with Pang Qingxiang, Wang Zhaoming (not to be indicted), and others at the home of Yao's family shop, and plotted to organize demonstrations and protests. On March 11, defendants Yao Fuxin, Xiao Yunliang and others, without applying for permits, organized some workers of the Liaoyang Ferroalloy Factory to carry out illegal assembly, demonstration and protests, [thus] seriously disturbing functions of state organs. In front of the main entrance of the city government [compound], the two defendants also gave inflammatory speeches.*

*Despite being reprimanded by the Public Security office, on March 12 Yao and Xiao organized another illegal assembly, demonstration and protest. On March 18, 19, and 20 respectively, Xiao Yunliang, Pang Qingxiang, and others again organized illegal assemblies, demonstrations and protests. Moreover, they ignored orders to disperse, disturbed the proper work of state organs, even blocked street traffic for a long period of time, and caused a severe disruption of the public order. ...*

*From January 2002 on, Yao and Xiao contacted the hostile separatist organization "Information Center on the Human Rights and Democratic Movement in China," led by Lu Siqing, and also the hostile element Han Dongfang. They also made contact with reporters at Agence France Presse and the Wall Street Journal in order to pressure the government by publicizing information about their illegal demonstrations and activities; thus having a major influence. Foreign media covered this event extensively through the Internet and exaggerated the facts of the situation, creating a despicable impression...*

*This procuratorate concludes that the defendants Yao Fuxin and Xiao Yunliang, with the intention to subvert the political power of the state and overthrow the socialist system, have actively engaged in organizing and plotting to establish the hostile organization the "China Democracy Party," as well as organizing illegal assemblies, demonstrations and protests. Their behaviour constitutes a violation of Article 105, section 1 [sic] of the Criminal Law of the People's Republic of China. The facts of these criminal activities are clear and the evidence is sufficient. Therefore, they should be held criminally responsible for the charge of subverting the political power of the state...and we request a conviction according to the law.*

*(City People's Procuratorate of Liaoyang, Liaoning Province, 27 December 2002)*

<sup>32</sup> Extracts taken from a translation by Human Rights Watch, "Indictment of Yao Fuxin and Xiao Yunliang in Liaoyang, China," 14 February 2003; full version available at: [hrw.org/press/2003/02/chinaindictment.htm](http://hrw.org/press/2003/02/chinaindictment.htm).

In the defence submitted by their lawyers, the Liaoyang Two pleaded innocent to all charges against them. Yao Fuxin admitted that he had attended a couple of CDP meetings in 1998, but said that he had decided not to join the party following a discussion of its constitution in Shenyang on 5 December that year. He had taken exception to a proposed article in the constitution calling specifically for the "ending of single-party rule" in China, since he felt it could be taken to imply that a particular party would need to be excluded – a view that did not accord with his own understanding of the multi-party political system.

Yao further admitted that he had taken part in a rally to commemorate the 4 June 1989 Tiananmen crackdown, held in Shenyang City Square on 3 June 1999, but added that he had done so only in a personal capacity and not under the auspices of the CDP. (He had been detained by police upon arrival at the Square that day and questioned by them for many hours.) He told the court that he agreed with the viewpoints of the 1989 pro-democracy student movement, in particular those concerning anti-corruption, and he insisted that it was his right as a citizen to do so.

On the question of his alleged criminal contact with the news media, Yao said that he had indeed tried to contact several domestic press organizations in China, including both the Liaoyang Daily and the Liaoning Provincial Daily, in an effort to publicize the workers' protest movement in Liaoyang. But he was told any journalists who tried to report on the case would lose their jobs. Left with no other choice, he had then contacted reporters from *Agence France Presse* and the *Wall Street Journal*, in the hope that they would help publicise the Liaoyang workers' case and thereby bring it to the attention of China's central authorities. However, he denied ever having contacted or talked with Han Dongfang, the director of China Labour Bulletin and one of the two "hostile elements" named in the indictment.<sup>33</sup>

The defence also pointed out that in the four open letters issued by the Ferro-Alloy workers, which Yao helped to draft, it was clearly stated that the protesters supported both the government of Jiang Zemin and the President's policies on "the three represents,"<sup>34</sup> which the government had recently been promoting as its core policy.

In an impassioned statement to the court, during which he was frequently interrupted by the judges, Yao asserted that he firmly supported the Communist Party of China and that all his actions during the protest movement had been on behalf of his fellow workers. He said he had been unable simply to stand by and watch while his fellow workers suffered: some of them were old and sick but had received insufficient pension money even to visit a doctor; some of the Ferro-Alloy workers had not received wages for over 20 months; and others did not even have enough to eat. At the end of his speech, Yao reportedly broke down in tears.

Xiao Yunliang entered the courtroom looking very frail, and had to be held as he walked in. But he still managed to raise his hands in greeting to his fellow workers and family. A worker in the gallery began to weep and was promptly ejected from the courtroom; then other workers too started crying. Ten minutes into the trial, Xiao collapsed on the floor and had to be seated for the rest of the hearing.<sup>35</sup>

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<sup>33</sup> In Hong Kong, Han Dongfang subsequently confirmed that he had never contacted or spoken with Yao Fuxin and that he had only learned of Yao's name after the latter's arrest in March 2002. Since that time, Han and the staff of CLB have been in telephone contact with the families of both Yao and Xiao Yunliang.

<sup>34</sup> Jiang's policy of the "three represents" (*sange daibiao*) states that the Communist Party should always strive to promote "advanced productive forces," "advanced culture" and "the fundamental interests of the people."

<sup>35</sup> The day before the trial, the chief judge told Xiao's family members that Xiao had visited a doctor for failing eyesight and walking difficulties.

According to a Western news report, "When given a chance to speak, Xiao mocked the charges against him, asking how an unemployed worker like himself could overthrow the government (audience members said.)"<sup>36</sup> In his defence statement, Xiao reminded the court that he was a member of the Communist Party of China, and he denied the charge that he had been involved with, or was a member of, the CDP.

He admitted that he had once spoken with Han Dongfang, but this was only because Han had called him. He had been unaware at the time that Han was a "hostile element," and in any case he had merely discussed with Han the facts of the workers' protests and nothing else; he was therefore innocent of any wrongdoing on this count also.

#### **Xiao Yunliang's Eyesight Gravely Deteriorating in Jail**

The health condition of Xiao Yunliang has been of concern since his initial detention, although the full seriousness of his condition was only realized at his trial in January 2003, when he collapsed after ten minutes into the court proceedings.

According to several medical reports, Xiao is suffering from an eye condition called Floaters. While not in itself critical, it can be a symptom of serious retinal damage and may lead to loss of eyesight unless treated. It is believed that Xiao's eye condition stems from an injury sustained when he was pushed into a police van at the time of his initial detention in March 2002.

After a medical examination on 2 April 2003 by an ophthalmic doctor, Xiao was reportedly diagnosed as having serious underlying damage to his eyes. The doctor added that his current symptoms were likely to worsen, resulting in possible blindness unless treated.

According to CLB sources, in April 2003 the head of the Liaoyang City Public Security Bureau expressed serious concern over Xiao's rapidly deteriorating eyesight. Probably as a result of this, Xiao began to receive limited medical treatment in jail soon afterwards. Until then, the jail authorities had insisted that they had "no money available" for the medical treatment of sick detainees.

On 17 April, in a follow up medical examination, Xiao Yunliang was diagnosed as being blind in one eye from a cataract, while his other eye was found to be in serious danger of going blind through damage associated with Floaters.

In a further complication, in March 2003, former detainees from the same detention centre reported that Xiao had been moved to an isolation cell after he was found to be spitting up blood. If true, this suggests that he may be suffering from tuberculosis, which if left untreated can be life-threatening.

At his sentencing hearing on 9 May 2003, Xiao appeared, according to his family, to have become almost totally blind.

Xiao stated that all he had done was to help stage public demonstrations aimed at venting and expressing the grievances felt by his fellow workers and himself over the severe hardships they were encountering in daily life - problems caused by the mass unemployment situation in Liaoyang and the fact that the workers and their families were not receiving the social welfare and other benefits due them. Xiao's lawyer also pointed out that Xiao himself had not received any wages for the 23 months leading up to March 2002. He emphasized that the protest demonstrations of early March 2002 had all been initiated directly by the workers themselves - a claim clearly supported by the fact that the largest workers' protests had occurred between 18 and 20 March, i.e. subsequent to his and Yao Fuxin's detention by the police. The demonstrations,

<sup>36</sup> *Washington Post*, op cit.

moreover, had consistently called for constructive negotiations with the authorities, thereby indicating the workers' overall support for the government. The protestors, Xiao pointed out, had only been trying to get the government to perform its responsibilities toward the workers in a more effective and conscientious manner.<sup>37</sup>

The court adjourned after four hours without delivering its verdict on the case. Indeed it was to be another four months before the defendants and their families learned of the outcome of the trial. Just like the huge, almost year-long workers' demonstrations that had preceded it, the trial of the Liaoyang Two was not deemed newsworthy enough by the authorities to be reported in the domestic press.

### ***From trial to sentencing***

For several weeks after the trial, the home telephones of Yao Fuxin and Xiao Yunliang were cut off from incoming calls, and the two families were warned by the PSB that no communication with the overseas media would be allowed.<sup>38</sup> In late January, PSB officers came to the homes of both families and attempted to take the detainees' daughters, Yao Dan and Xiao Yu, in for questioning, but both women declined to cooperate. Yao Dan reportedly told the police, "I don't speak the same language as you do. I won't go there! If you have enough evidence to charge me, come here with the warrant, and I will go with you. Otherwise I won't go!" The police then left after giving the young women a warning. On 23 January, the families were visited again by four PSB officers, who talked to them for more than an hour and told them that they were not to accept any overseas calls. "China will not heed the opinions of the international media, and their reports will change nothing," the families were informed.

On 24 February 2003, for the first time since March 2002, both families' residences were placed under around-the-clock surveillance by numerous officers from the local police station. The families were also ordered by the Public Security Bureau not to take part in any demonstrations or to undertake petitioning activities either at provincial level or in Beijing, and they were told that they could not leave their homes without prior approval from the police officers watching them. Around the same time, another of the workers' leaders, Wang Dawei, was briefly detained by the police and questioned about the workers' plans to hold another protest demonstration. The intense surveillance measures during this period probably reflected the city government's belief that the workers were intending to mark the coming first anniversary of the March 2002 protests with further public protests. Also, the annual meeting of the National People's Congress was due to begin in early March, and local governments around the country had been ordered to take all necessary measures to "ensure social stability" in the run-up to this important national event.

The surveillance continued over several of the coldest weeks of the year, and in an ironic twist, both detainees' families invited the police officers posted outside their houses into their living rooms during the daytime. As one of the family members told CLB, "We all felt quite sorry for them: the weather is freezing cold at the moment, and it was snowing here a couple of days ago." This anecdote is quite revealing and highlights the fact that the problems of the Liaoyang workers were shared by many of the families of government functionaries of all kinds, including the police, many of whom also had

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<sup>37</sup> For further information on the court proceedings against Yao and Xiao, see "Inside the Courtroom – Report on the Liaoyang Trial," China Labour Bulletin, 23 January 2003; available at: [http://www.china-labour.org.hk/iso/article\\_pv.adp?article\\_id=3781](http://www.china-labour.org.hk/iso/article_pv.adp?article_id=3781).

<sup>38</sup> Yao's family attempted to have another telephone line installed, but on realizing who the customer was, the phone engineer who came to the house on 26 January refused to proceed with the installation. When asked repeatedly for a reason, the engineer replied, "Please don't give me a hard time – I simply can't do it for you". The family then complained to the mayor's office, which sent over an official from the city's telecommunication authority. But his response was the same "I can't do anything; this involves political issues".

relatives who had been made redundant or were otherwise adversely affected by the collapse of the Liaoyang Ferro-Alloy Factory and other bankrupt local enterprises.

On 25 February, Yao Dan and Xiao Yu delivered to the Liaoyang Public Security Bureau a formal application to hold a protest demonstration on their fathers' behalf on 11 March. However, when the women handed over the application letter they were informed by the desk police officer that the application would "not be approved," and he refused even to receive it. In an interview with Han Dongfang, the head of the Liaoyang PSB's Public Order Section stated that there was a "technical error" in the application. However, the Liaoyang workers had made three previous attempts during the previous year to submit applications with the local PSB for permission to stage public demonstrations, and on all three occasions the authorities had similarly refused even to accept the application forms.

Despite the official warning message sent to them by the trial of the Liaoyang Two, the city's workers continued to show firm solidarity with the two detainees and to issue demands for their release. On 27 February, a group of fifteen Liaoyang workers' representatives – including Wang Zhaoming, Pang Qingxiang, Gu Baoshu and Wang Dawei – met for around three hours with Chen Qiang, the deputy mayor, and other senior municipal officials to appeal again for the release of Yao and Xiao and to discuss at length several other of the workers' chief concerns. This appears to have been the most significant meeting granted to local worker activists by the Liaoyang authorities since March 2002, and the deputy mayor adopted a generally positive and conciliatory tone during the course of the meeting. Chen was reportedly noncommittal over the workers' demand for a prompt verdict to be rendered in the cases of Yao and Xiao and for their swift release if the charges could not be firmly substantiated. However, he agreed to convey to the higher authorities the workers' demand that the families of Yao and Xiao should at least be allowed to visit them in prison – no family visits had been permitted since the time of the two men's trial in mid-January – and to inform them of the authorities' response as soon as possible.

The other main demands conveyed to Chen Qiang by the fifteen worker representatives concerned the continued failure of the Liaoyang Ferro-Alloy Plant's management to fulfil its economic responsibilities to the factory's laid-off and redundant workforce. The deputy mayor agreed to meet some of their demands: that funds donated by the workers in recent years for purposes of expanding the factory's workshop infrastructure (*fang-ji-jin*), together with both the workers' longstanding unpaid home-heating allowances, wage arrears, un-reimbursed expenses for medical treatment and children's allowance would all be paid to them in full before the end of June. On the vital issue of pensions, though, he said he was unable to make any promises. On the Ferro-Alloy Plant workers' demand for prompt issuance of the two-years-worth of unemployment welfare benefits that they had still not been paid, moreover, Chen confessed that he was "powerless to resolve this issue." In an unusually candid admission of how grave the situation for unemployed workers in China's northeast has now become, Chen informed the workers representatives: "There are currently several dozen bankrupt enterprises in Liaoning Province where the workers have still received no unemployment welfare benefit. If the workers from any one of these enterprises receive unemployment benefit, I assure you that the Liaoyang Ferro-Alloy Plant's workforce will also receive theirs."<sup>39</sup>

In the run-up to the first anniversary of the mass protest by over 10,000 workers in

<sup>39</sup> Despite the relatively constructive tenor of the 27 February meeting between Chen Qiang and the fifteen workers representatives, it should be noted that at Chen's two previous (and considerably briefer) meetings with some of the same workers, the deputy mayor issued pledges to them that he was later unable to fulfil. (On 12 March 2002, five days before the arrest of Yao Fuxin, he told them that no workers would be arrested; and on 17 May, he assured them that he would strive to secure the release of Yao and several other workers who had also subsequently been detained "as soon as possible.")

Liaoyang on 11 March 2003; the Chinese security authorities undertook a further series of clumsy and repressive measures against the families of Yao Fuxin and Xiao Yunliang. In the most worrying of these incidents, on 3 March, the two detainees' daughters, Yao Dan and Xiao Yu, who had gone to Beijing on 28 February to meet with Xiao's defence lawyer, Mo Shaoping, were seized by about twenty police officers at their hotel room in the capital. Informed by the officers that since the hotel where they were staying was "too shabby," they would be taken to another hotel where they would be allowed to meet with their father's lawyer without interference the following day, the two women were instead driven to a different guesthouse in a Beijing suburb where all their belongings were searched. They were then driven directly back to Liaoyang in a police van along with eight police officers from Liaoyang. Upon their arrival back in Liaoyang on 4 March, Yao Dan and Xiao Yu were escorted by police officers to a government office, separated, and held there until early evening for questioning. Before finally being allowed to return home, the two women were asked to sign the transcripts of their police questioning. Since the police record included a line incorrectly stating that the purpose of their visit to Beijing had been to talk to the foreign news media, Yao Dan reportedly refused to sign until this part had been deleted. According to CLB sources, a senior Liaoyang PSB officer then presented the women with a renewed warning against speaking with the foreign new media.

In March 2003, the ILO issued a lengthy report upholding the ICFTU's composite complaint against the Chinese government over its detention and prosecution of the Ferro-Alloy workers' leaders and over its repressive handling of various other recent labour disputes in China. The ILO's Governing Body formally endorsed recommendations from its Committee on Freedom of Association calling upon the Chinese authorities to release all Ferro-Alloy workers still in detention and to drop any outstanding charges against them.

In particular, the ILO cast subtle scorn upon the Chinese government's arbitrary contention, conveyed to it in September 2002 in Geneva, that Yao Fuxin, Xiao Yunliang and other workers' representatives had committed acts of "terrorism and sabotage" during the Liaoyang protest movement last year. This claim had been sharply undercut, the report suggested, by the government's simultaneous admission to the ILO that the Liaoyang protests had been simply "a labour dispute." (As noted above, even the Liaoyang procuratorate did not see fit to include these charges in its bill of indictment against Yao and Xiao.) In the ILO Governing Body's own words,

Given the [Chinese] Government's indication that the events occurring at the Ferrous Alloy Factory fell within the context of a labour dispute, the [ILO] Committee requests the Government to drop all charges relating to terrorism, sabotage and subversion.

The same message was delivered to Beijing, in even clearer and stronger terms, by the Workers Group of the ILO on 3 March. According to the Workers Group's public statement:

This case [China: Case 2189] concerns numerous allegations of excessive use of force in police interventions, torture and imprisonment of trade unionists and workers participating in various protest actions and demonstrations. The Committee is not convinced by the reply of the [Chinese] Government stating that "As a responsible member of the International Labour Organization, China recognizes and respects all the principles stipulated in the ILO Constitution, including the principle of freedom of association, and has made unremitting efforts to achieve these principles." (Para 442). Instead the Committee [on Freedom of Association] expresses its concern (as could be seen in Paras 446 and 447) over the detention of a number of arrested leaders and representatives of

independent workers organizations. It also requests that impartial and independent investigations are instituted concerning the various allegations of arrests and mistreatment.

In addition, it requests the Government to provide instructions for the forces of law and order eliminating use of excessive violence in relation to demonstrations. Specifically the Committee requests the Government, in relation to the labour dispute that occurred at the Ferrous Alloy Factory, to drop all charges relating to terrorism, sabotage and subversion - charges which carry heavy penalties. As could be seen in Para 465 the Committee underlines that durable solutions to social conflicts and promoting economic and social development can only be found if full freedom of association of workers is recognized and consequently, as has been requested previously by the Committee, that the [PRC] Trade Union Act be amended to allow workers to freely organize in independent trade unions of their own choosing. Despite the previous negative response by the Government, the Committee once again requests the Government to show good faith and to accept an ILO direct contact mission to promote the full implementation of freedom of association.<sup>40</sup>

### ***Final verdict, May 2003: Seven and four years' imprisonment for subversion***

On 9 May 2003, just weeks after the ILO's appeal to the Chinese government for the release of Yao Fuxin and Xiao Yunliang, the Liaoyang Intermediate Court announced that guilty verdicts had been reached on both men: Yao was sentenced to seven years' imprisonment and Xiao to four years' imprisonment.

The four-month delay in announcing the verdict and sentences contravened China's own laws and regulations. According to Article 168 of the Criminal Procedure law of China, the court must pronounce judgment on a criminal case within one month, or six weeks at the latest, of the date of its acceptance of the prosecution's indictment, although in exceptional cases this time limit may be extended by one more month upon approval by the provincial High People's Court. The maximum length of time that a criminal suspect may be held after the commencement of trial is therefore two and a half months.

The reason for the authorities' timing of the sentencing announcement in May was probably twofold. On the one hand, any further delay would only have compounded the illegality of the two men's prolonged detention; and on the other, international attention was firmly focused on other major events in China at the time. The country was in the grip of the SARS (Severe Acute Respiratory Syndrome) epidemic, and the world's attention was all on the recent exposure of the massive cover-up of the epidemic then being attempted by the country's health authorities. Fortuitously, this gave the government an opportunity to try to bury the news of the harsh prison sentences handed to the Liaoyang Two among a sea of news reports on the SARS health crisis.

Only the daughters of Yao Fuxin and Xiao Yunliang, Yao Dan and Xiao Yu, and two workers were allowed entry to the 9 May sentencing hearing, which took place at the detention centre where the two men had been held for over a year. However, braving the presence of some 300 PSB officials who surrounded the centre, some 300 Liaoyang workers also went to the scene to demonstrate their support for Yao and Xiao. Immediately after the hearing, Yao Dan and Xiao Yu were both driven away in separate police cars. Xiao Yunliang's wife, Su Anhua, tried to stop the car taking her daughter

<sup>40</sup> Statement by Ulf Edström (Sweden) on behalf of the Workers Group on the 330th Report of the ILO'S Committee on Freedom of Association (CFA), 27 March 2003; available at: <http://www.ilo.org/public/english/dialogue/actrav/new/wg/cfa330.htm>.

away but was beaten to the ground by police. She lost consciousness and had to be taken to hospital. Xiao Yu and Yao Dan were released later the same day.

Yao Fuxin and Xiao Yunliang both lodged appeals against their sentences.<sup>41</sup> The lawyer Zhang Bingbing drafted the appeal document for Xiao Yunliang after his brother, Xiao Yunji, withdrew from the case after being pressured by the authorities to cease working on it. (Xiao Yunji is currently recovering from a heart operation that he underwent shortly before his brother's trial in January. A replacement lawyer, Zhang Fusheng, was subsequently hired.) Zhang Bingbing also applied for Xiao to be granted medical parole, but this was refused. It is unclear what medical treatment, if any, Xiao Yunliang is currently receiving in prison.

In interviews with CLB, both families have expressed their anger at the harsh sentences given to their detained relatives. Yao's wife, Guo Xiujing, said that she was willing to take the appeal to the central authorities and if necessary to sue the government. Xiao Yunliang's daughter expressed the fear that her father may be unable to survive another six months in prison – let alone four years. So far as is known, only one minor newspaper in China (*Qiangshan Wenbao*) carried a report on the sentences given to the Liaoyang Two.

On 27 June 2003, six weeks after the verdict was publically declared, it was announced that the appeals of both men had been rejected by the Liaoning Provincial High People's Court and the original sentences were upheld.

The decision to dismiss the appeals was taken at a secret hearing lasting less than 30 minutes at the Liaoyang City Detention Centre where both men are being held. Both families were denied access to the hearing and neither of the two men's lawyers was present.

The family of Yao Fuxin were only told of the hearing late on the 26 June when a friend of the family happened to see a notice announcing the hearing outside the municipal court and immediately informed Yao's wife. The family then contacted Mo Shaoping, Yao Fuxin's lawyer, who had also not been informed of the hearing date. He had originally been planning to go to the Provincial High Court next week to press for information on the appeal as he had received no news from the authorities.

When asked about his views on the judgment, Zhang Fusheng, Xiao Yunliang's lawyers informed CLB that he was disappointed that the decision ignored the many detailed points highlighting Xiao Yunliang's innocence in relation to the subversion charges. In particular he stressed that the proceedings were flawed and should be reviewed by a higher court. Zhang himself was only notified of the judgment by telephone after the hearing took place.

It was also learned that Xiao Yunliang's family was informed by officials that Xiao's health had further deteriorated. Su Anhua, Xiao's wife again appealed for the release of her husband and asked that he be given immediate medical treatment. She added that the authorities did not seem to care if her husband lived or died but that they simply wanted to "see the family broken down".

The abrupt rejection of the appeals come as a heavy blow to the families of Yao and Xiao and to the thousands of workers in Liaoyang who have continued their fight against corruption in Liaoyang and their campaign to free both men despite extensive harassment. Despite the trial and sentencing of the two men and the rejection of their

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<sup>41</sup> A decision giving notice of the appeal hearing should, under Chinese law, be issued within twenty days of the receipt of the appeals. Thus a hearing should by rights be held shortly after 4 June 2003.

appeals, many workers continue to visit the family homes of Yao Fuxin and Xiao Yunliang to show their continued solidarity and support.

Despite the many months of struggle and all the various promises wrested from local officials at different times, only a handful of the Liaoyang workers' original demands have thus far been met. Indeed, according to recent reports, out of all the various pledges made to the Liaoyang workers by Deputy-Mayor Chen Qiang on 27 February, only the promise that unemployed workers' child support allowances would be paid has in fact been fulfilled.

### **Conclusion**

The Liaoyang mass protest movement of 2002-03 was by far the largest and most sustained incident of organized worker unrest in China since the 1989 nationwide pro-democracy movement, when workers demonstrated against government corruption in cities throughout the country. It remains to be seen whether the harsh and unjust sentences passed on the Liaoyang Two will succeed, as the government clearly hopes, in putting an end to the workers' movement in Liaoyang. Whatever the case, there can be little doubt that the local government has succeeded only in reinforcing, over the past year and more, the deep and widespread resentment felt by the local community at the authorities' failure to take seriously its complaints and grievances over the disastrous impact that unrestrained "economic reform" in the city has had on so many workers and their families during the past decade. In failing to resolve the pressing issues of jobs, livelihood and social welfare raised by the demonstrating workers, while at the same time punishing their chosen representatives – courageous citizens who had sought only to engage in constructive dialogue with the local authorities – the government has probably alienated public sentiment to an extent that can only be directly harmful to the very "stability and unity" in society that it claims to seek to uphold above all other considerations.

One thing is clear from the events in Liaoyang over the past year. China's workers have at last begun to reclaim for themselves some of the sense of collective power, and autonomy of action, that the Communist Party relieved them of several decades ago when it declared that it alone had the requisite credentials to represent the country's "labouring masses," and that henceforth there would be only one officially-sanctioned trade union throughout the country – the All China Federation of Trade Unions. One of the most striking aspects of the Liaoyang workers' protest movement is that the ACFTU was, for the most part, conspicuous by its absence from start to finish. At no time did it seek to lend the demonstrating workers its advice, guidance or encouragement – or even to warn them of the likely consequences of their prolonged confrontation with the local government. Instead, ACFTU officials emerged only to voice public accusations at the movement and to slander it in international forums of various kinds. In short, it acted not as a genuine trade union would act, but rather as a mere transmitter and propagator of Party policy.

For decades, the Chinese government has dealt with political and religious dissidents by imprisoning them on false and politically-motivated charges of "counter-revolution," "endangering state security" and "subversion" (to name but a few.) It continues to do so even in the present era of greatly increased social and economic openness in China, and for the most part it has succeeded in its long-term goal of intimidating, isolating and marginalizing the domestic dissident community. Some two decades after the start of the "socialist market economy" and the steady growth of industrial privatization, however, the government now faces a very different kind of challenge to its control and authority, in the form of many millions of angry and desperate workers who have been thrown on to the breadline by a new and fast-growing class of politically well-connected entrepreneurs, a group that often appears to be solely concerned with the cold calculus

of economic profitability. The past few years in China have seen an exponential increase in the number of spontaneous strikes, public protests and sometimes violent riots by laid-off and increasingly desperate workers all around the country. Sooner or later, the Chinese government will be forced to the realization that if it wants to have a genuinely stable and well-functioning market economy, then it must also allow the workers to engage in free collective bargaining and to form their own representative bodies through which to pursue fair, equitable and safe terms of employment. The iron-fisted policy of repression that it has hitherto adopted against dissidents of various kinds, and which was once again so clearly apparent in its handling of the case of the Liaoyang Two, will simply not accomplish these vitally necessary goals.

The Liaoyang workers were not asking for freedom of association, for the right to organize, or even for the right to engage in collective bargaining. They were asking merely for minimum guarantees of their families' right to basic subsistence and livelihood – the very things that the Chinese government proudly tells Western governments and the United Nations, when challenged over its poor human rights record, that it has basically solved for the Chinese people since its assumption of power five decades ago. The lesson of the Liaoyang workers' protest movement for the country as a whole, however, is that unless the Chinese government begins at last to allow the workers some modicum of true independence, and the right to organize in defence of their own economic interests, it will inevitably face ten, twenty or a hundred Liaoyangs at some point in the probably not-too-distant future. Should that point be reached, no amount of hastily concocted "subversion" indictments would suffice to protect the government from the consequences of its own short-sightedness and folly.

In the meantime, the international community – and especially the worldwide labour movement – can play a vitally supportive role towards the goal of avoiding widespread social unrest in China, by expressing its firm solidarity with all peaceful and non-violent Chinese worker activists who have been unjustly persecuted and imprisoned. Every opportunity should be seized by the international community to try to persuade and pressure the Chinese government both into releasing these brave individuals, and at the same time into taking the more far-reaching and historic step of instituting genuine trade union rights for all Chinese workers.

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China Labour Bulletin  
Hong Kong, July 2003

**Appendix One: Open Letter to the General Secretary of the Central Committee of the Communist Party of China, Jiang Zemin**

***"Appeal to the Leadership Following a Fruitless Four Year Struggle Against Corruption. The workers are being persecuted and need your support"***

5 March, 2002

Esteemed General Secretary Jiang Zemin: Greetings!

At a time when the nation continues to grow and prosper, government policies are proceeding well and the people live in peace. All the workers from Liaoyang Ferroalloy Factory in Liaoning Province send our most sincere greetings to our nation's highest leader.

Formerly, the Liaoyang Ferroalloy Factory was a comparatively profitable large-scale state owned enterprise producing for both the domestic and overseas markets. In those days, the living standards of the workers continuously improved.

But now our factory is bankrupt and the overwhelming majority of its workers have been reduced to unemployed vagrants and we are furious. Most of us here have met with disaster and, as we have no other option, we address this open letter to you in order to recount the events leading up to, and since, the bankruptcy. We express to you, as a respected elder, the heartfelt aspirations of the entire workforce and fervently request that you find time in your busy schedule to address the uncertainties and perplexities in our hearts.

Liaoyang Ferroalloy Factory was a medium-size state owned enterprise with a long history of over fifty years. All the property and assets of the factory were derived from the hard work, blood and sweat of generations of workers. In the early days, the factory was no more than a small-scale smelting workshop producing phosphorus-based products. All the facilities, equipment and buildings were crude and simple. Production capacity was negligible and it was only after [the national] liberation and under the subsequent solicitude and support of the Party and government, combined with the hard work of a generation of older workers who suffered great hardships that the Ferroalloy Factory transformed, gradually, from a small-scale, backward workshop into a medium-size state owned enterprise. Every year, Ferroalloy contributed millions of yuan in tax and profits to the national treasury and the standard of living of the whole workforce rose. This success did not come easily. It was the result of our pioneering efforts to overcome countless challenges in conditions that were reminiscent of wartime hardships.

Following the introduction of the reform and opening up policy, Ferroalloy faced the mighty torrent of the market and its economic performance came up against an unprecedented test. However, it was certainly not the case that domestic and foreign customers were not interested in our branded products. What we needed to overcome the various problems that were facing us was a competent policy maker and honest leadership capable of taking advantage of the ready market for our goods. At the same time, this would have raised the nation's revenue from profits and tax. The workers would have continued to live in peace and prosperity and the factory flourished.

Who could have foreseen that once Ferroalloy's former director, party committee secretary and general manager, Fan Yicheng, had commandeered his positions at the factory, the workers days were numbered? With the factory facing the massive challenge

of the market and in already trouble, it was Fan Yicheng's duty, in his official position as both managing director and legal representative, to construct a strategy for improving the overall economic performance. It was his responsibility to provide leadership in improving product quality, output performance and profitability of the enterprise: to inspire the entire workforce to grasp and overcome the difficulties in front of us.

Fan Yicheng did none of this. Following his appointment he adopted a policy of cronyism in which all those who submitted to his will did well and anyone who resisted was dealt with. All dissent was outlawed. His close aides, friends and relatives were placed in company positions from which he could directly benefit. At the instigation of Liaoyang's former mayor and party secretary Gong Shangwu, Fan Yicheng set up a number of independent enterprises - such as the Ya Kuang Company, Boronalloy Factory and the Sai De Company - and arranged fictitious domestic and foreign links and contacts. These people worked hand in glove as a team to swallow up billions of yuan in national funds resulting in losses of billions of yuan in state property - we have detailed evidence of all this. Ever since this group of corrupt people linked up in 1995, they have acted in cahoots to reduce, by double-dealing and plotting, a perfectly good SOE to absolute chaos: production stopped, workers were laid off and employees driven to indescribable despair. The sweat and blood of workers has been used to nurture a colony of parasites. Under the pretext of procuring goods, Fan took holidays abroad and gathered up large amounts of foreign exchange to fill his own personal coffers to the brim. At the factory he bullied and intimidated workers and used hundreds of thousands worth of public funds to refurbish his house and send his two children abroad to study. Fan and his corrupt friends used state funds to eat, drink, gamble, whore and anything else they felt like doing. There were no limits to their extravagance.

Even more serious was the refusal to pay employee's pension insurance contributions from 1995 to 2000, resulting in arrears of Rmb 27 million. As a result, now the factory is bankrupt we are unable to draw our pensions and have no way of meeting our livelihood expenses. Forced into a corner by these circumstances, we began to organize collectively in 1998 to expose and denounce Fan Yicheng and his gang's corrupt behaviour. We have petitioned and reported to the relevant departments at city, provincial and central levels. At the time, city officials reassured us with moving commitments to solve the problems to everyone's satisfaction, but matters have turned out very differently from how we hoped they would. Far from addressing our concerns in a conscientious manner and criticizing Fan and his fellow rogues, they resorted to repression, defiling public opinion and enforcing the planned bankruptcy in an attempt to cover up the heinous crimes of these blood-sucking devils. False bankruptcy and real corruption has been the strategy to achieve their wicked aims, leaving the workers in wretched circumstances.

The events of the meeting convened to vote on the bankruptcy, held the day before yesterday, have left us boiling with anger. On that day, the government ordered the police to arrest three workers' representatives for no reason and place them in custody in the police station. On the same day, when the results of the vote were announced, police were deployed at the factory gates in full battle array and, police cars were cruising around everywhere. It was as if they were preparing for a full-scale attack from a formidable enemy. Workers who for special reasons were unaffected by the bankruptcy were manipulated into casting their vote in favor of it.

All this amounts to a bankruptcy that seriously violated the Bankruptcy Law's regulations: the financial affairs of the factory were left unsettled, those responsible were not dealt with, no measures were put in place to implement statutory re-employment or welfare policies and even several years of unpaid wages were left in arrears. We believe that company bankruptcies can be caused by a whole range of internal and external matters. But no matter what the circumstances, if there is no other alternative, the bankruptcy proceedings must follow the national Bankruptcy Law and

procedural documents released by the central government. Ferroalloy's bankruptcy was not the result of the economic restructuring any more than it was brought about by poor sales. It was the direct result of co-ordinated embezzlement of national assets and leaching on the workers' sweat and blood, by Fan Yicheng and his gang of parasites with the collusion and support of former mayor Gong Shangwu. These people do not care if working people live or die, neglect their managerial duties, wreak havoc with financial discipline and lend or borrow public funds at their own whim. Many forms of open and covert waste, totally unmanaged and unquestioned dripped, leaked and oozed its way out of the deeply flawed production operation. Billions of yuan of national property simply disappeared as a result of shocking criminal behavior that has left us so angry that no punishment would atone for it.

The entire workforce at Ferroalloy reacted with profound indignation in the face of such contrary and even perverse behavior and organized a three-year struggle against corruption. To our regret, we failed to achieve any effective results and the enforced bankruptcy of our factory has been implemented leaving the workforce in a state of poverty. We have no pensions or medical insurance and there is also no minimum livelihood fund. To date, the promises of adequate welfare that the government made in a draft document prior to the bankruptcy have not been met. The bankruptcy went through leaving the workforce in tears and the corrupt officials laughing all the way to the bank. Moreover, they are now using the embezzled funds to set up a new privately-run enterprise(s). As if by magic they have metamorphosed into entrepreneurs using the workers' sweat and blood as building blocks for their nest of corruption. Illegal activities have produced a legal company and the government has done its utmost to cover up and collude in this almost perfect crime. Where on this earth are we to go to find reason and justice? Is it possible that a Chinese nation under the leadership of the Communist Party can leave no space for workers? Is there no other road except this road to tragedy?

The Chinese Communist Party has led the broad mass of the Chinese people through eighty years of bitter struggle that continues to this day. The party's aim has been to serve the people and their pursuit of prosperity and well-being. Ever since the deeply respected Chairman Mao's conception of serving the people, to your respected self's concept of the "Three Represents", all levels of the people's government have worked unstintingly, especially following your "July 1" speech, to strike root in the hearts of the people, encourage the people's aspirations, inspire their energy and provide hope! But to our regret, the Liaoyang government leaders have simply paid lip service to the concept of the Three Represents, and failed to implement your directives. In reality, rather than represent the interests of the broad mass of the people, they have represented interests of venal officials. When workers have put forward reasonable and legal propositions to oppose corruption and provide welfare, they have resorted to myriad ways of perfunctory solutions, procrastination, delay, connections, gerrymandering and the use of force to counter the working masses. In essence, they have openly shielded and tolerated a clique of corrupt people who have committed the crime of harming the people, clearly not followed the Central Committee's instructions. In fact, they have sung an entirely different tune from the government's policies of making proper arrangements for laid off workers and the livelihoods of workers from the bankrupt factory – a case of publicly agreeing but privately sabotaging, deceiving their superiors and duping those below them in their base behavior. (Fan Yicheng and the other parasites' few days in detention was billed as house arrest and having to report in regularly to the authorities. But they are all now safely in their homes and have got off scot-free).

Respected and beloved Secretary General Jiang, we do not oppose the leadership of the Party or the socialist system. Aside from demanding our legitimate and legal rights, all our efforts have aimed to help the country dig out and eliminate all the corrupt worms boring way at and ruining our socialist economic system. The Liaoyang government has

used violent suppression against us while corruption has been glossed over leaving nearly all of us wondering and perplexed. We fear that bankruptcy has no precedent in China and it is a strange and new experience that has come into our lives. We believe that pushing several thousands of workers to the edge of destitution will have a profoundly negative influence on social stability and totally goes against the spirit of the directives in your "three represents theory".

Since the reforms started, the Chinese working class has been the Party's source of fresh, combat-ready troops in the economic battles that have faced our country. From our studies of Central Committee documents and your "Three Represents" speech, we know that working class is still society's foremost source of wealth and also it's driving force. To ignore this truism would be an irreversible mistake and could even put the country into great peril. The vast majority of workers have been driven beyond the limits of forbearance by this group of people who have colluded together with Liaoyang government leaders in a swamp of corruption to shore up their own interests, maintain their official jobs and positions and ignore both party discipline and national laws. As such, we six thousand workers eagerly wait your being able to find time in your busy schedule to give us a clear answer and shed light on the confusion in our hearts. We do not have the capacity to take the Liaoyang government through the courts and currently face a future of barely being able to put food on our table. Where would we get the money? It would be prohibitively expensive and even if we had the funds, it would be impossible to win such a case. Over the past three years, we have petitioned the Disciplinary Committee, the courts, the procuratorate at provincial level and in Beijing, as well as the General Office of the State Council and the Economy and Trade Committee on many occasions. We have sent documents and materials by post and delivered it personally by hand, but all to no avail.

Faced with this tragic scenario and with no other option or way out before us, we hope that you, as our leader, can lead us out of this darkness and put us back on the right track. Send us a team of good cadres to investigate and clean out the crimes of these corrupt people and deal with this matter in the spirit of justice. We fervently hope that you will read this letter. It is perhaps more than we deserve that you hold-up your valuable time but there are genuine reasons for our actions. We had no option but to write directly to you.

Finally we wish you a long and healthy life and offer our deepest respect,

Yours sincerely

The unemployed former workers of the bankrupt Liaoyang Ferroalloy Factory, Liaoning province.

## Appendix Two:

### A Long and Winding Road: Two families devastated A personal viewpoint\*

On Tuesday mornings, Xiao Yu steps onto the bus, which takes her to meet her father at the Liaoyang Municipal Detention Centre. The journey takes half an hour. She can only visit her father on Tuesdays and since his trial on 15 January, the Xiao family have been going to this detention centre on this same bus for months. Before this, she and her mother traveled to visit Xiao in detention centres in Tieling, Anshan and Sujiatun - 45 km was the shortest distance they had to travel. Each time, she brings her father some food, or some clothes to make his life a bit better and from time to time she credits a few hundred dollars [RMB] into her father's prison account.

Since the sentence was announced, Xiao Yu has been worrying about when her father will be sent away - she has no idea how her father will be able to survive the four coming years in jail with his deteriorating health.

On 9 May, at the hearing, holding the bars tightly, his weak and trembling body about to collapse at any moment, Xiao turned to the judge in outrage and shouted out "Shame on you! You never sentence the corrupt people but instead turn the accuser into the defendant!" Having seen this, Xiao Yu cannot picture how he can survive the four years imprisonment. She adds, "He might not be able to survive till the end of the year let alone another four years!"

When she recalls the scene, she cries, "It is really awful! My father used to be a strong man, he always stood upright... and now he is ruined. When he said that to the judge, it was like he was saying it with his last reserve of strength. He tried to cry out against their viciousness... oh my god!" One can still hear the fear in her voice

In a visit to the doctor on 17 April, the doctor diagnosed that one of Xiao Yunliang's eyes was blind with cataracts and the other one was seriously affected by floaters. Xiao's wife, Su Anhua was forbidden by the police to talk to the doctor and she blames herself saying, "of course that doctor didn't want to talk to me, I am just not educated enough." Self effacing and perhaps uneducated she may be, but who knows how much effort it took for her to get permission to accompany her husband to the hospital?

Su Anhua herself has been ill, but since Xiao's eye problem, she has been continuously visiting the public security bureau, the detention centre, any and all departments concerned. All she wants is better and urgent medical care for her husband. "You know every time I visit those departments, I have to lay down for at least half a day, I can hardly move afterwards... it is always like this, I feel so fed up and out of spirits and I only feel better the next day."

After the sentencing, Su Anhua told CLB her belief that the injustice done to her husband will one day be redressed is now the only "reason, which makes life bearable". "I couldn't live if I could see nothing but darkness... but I still believe one day it will be bright again..." she sighs.

Su Anhua is only 56 years old but Xiao Yu already describes her as an "old lady". In the past 12 months, her mother's hair has turned white and she has lost her comfortable roundness. Even their neighbours have noticed that her mother has been losing weight. Recently Xiao Yu bought her a radio - Su Anhua seems to get some small pleasure from it and her life is not totally dull anymore. She takes the little radio everywhere, "It is

amazing! The radio seems to bring her some comfort. We used to think we were the most desperate people but lately, through the radio, we have discovered that we are not in that bad a situation, a lot worse things are happening everyday." Xiao Yu said.

Another family, that of the workers' representative Yao Fuxin was also devastated by the hearing on 9 May 2002.

"Oh goodness, it is really bad! If they [the government] really want to punish him, what can we do to fight it? We are simply helpless!" said Guo Xiujing. "If you want to help, then please publicize the case, get the attention of the central government and then they might send somebody to investigate... oh...it is really an injustice... you know they [government officials] want to guard their interests and they would do anything for that...even now they want to mark as us the 'enemy' - which is fateful...you can't really talk reasonably with them" she continues.

Guo Xiujing retired from the Ferro-Alloy Factory in 1996. With 400 Yuan [RMB] pension a month, she and her husband Yao Fuxin, a Steel Rolling Mill worker led a poor but stable life running a small store in the workers' residential area. She would never have imagined that her family would get involved in this now infamous labour movement, nor indeed that her husband would be charged with "subverting state power". Not only was Guo Xiujing surprised at the turn of events, but also old neighbours ask themselves "how can Yao be capable or willing to subvert the state? What nonsense!"

Since 1998, Ferro-Alloy workers have been negotiating with the municipal government for the payment of their long term wages arrears, welfare benefits and the declining profits of the factory caused by the corruption of the factory leaders. The workers' representatives even went three times to complain in Beijing. In November 2001, the factory was forced to go bankrupt and with this terrible disappointment, the workers finally realized that their peaceful attempts to stop the corruption and protect their basic rights and interests was only leading to their own unemployment. After the bankruptcy, there was no possibility of retrieving the huge wage arrears owed to the workers [Xiao Yunliang himself had not been paid for two full years] nor has there been any new employment provided for the thousands of workers. Brought to the brink by poverty and injustice, the workers finally drafted an open letter and began their massive protests. They could not bear to see the corrupt officials getting away with the money they, the workers, had earned through their hard work and they wanted them punished. That was when and how Yao Fuxin was elected as a workers' representative.

"We don't mean to be confrontational or difficult towards the municipal or central government, we do understand that it is a tough job to solve the Ferro-Alloy workers' problems. But initially we workers believed that if we revealed the corrupt officials and made them return the money they embezzled from us and owed to us, then our problems would be solved... our idea was that simple...but then it got worse and worse and now they [the government] are blaming us for all this." Guo Xiujing says.

Her sorrow is a far cry from her reaction to the news that one of the factory's former leaders, Fan Yicheng, the man most believe to be responsible for the bankruptcy was sentenced to 13 years for smuggling and dereliction of duty. Although the charges were nothing compared to the worker's accusations, on hearing the news Guo Xiujing said, "I believe that evil can never prevail over good and...in the end we will win the battle."

When Guo learned that Yao had torn up the appeal documents in anger at the injustice of the criminal sentence she too felt the same rage but add that; "we must appeal - even if we lose everything there is no return to where we came from. You know my husband has already suffered so much in the past year and now he faces another seven

years of suffering." His 24 year old daughter, Yao Dan, is also deeply disappointed at the judgment.

Since the arrest of her father, struggling she has started to share the families burden. She visited her father's lawyer, Mo Shaoping in Beijing several times and each time the police made things difficult for her. In March 2003 she was forced back from Beijing by the police and when she arrived in Liaoyang she was taken by them for eight hours of intensive questioning in an unknown place. Yao Dan says, "I could only afford to buy a hard-seat [third class] ticket to Beijing and after 4 hours in the train, my legs would become badly swollen. Even after so much effort, my papa still has to face that heavy sentence. You know I was so desperate at the hearing, I felt that I was not helping enough."

Still life goes on and she is pulling herself together, she tries to answer everything with "it is not that bad". "Well, it is not that bad, at least it is not a life-imprisonment... there is nothing we can do besides being positive" she concludes. When her mother gets fierce or depressed at times, she can only tell her, "there are only two of us at home and I don't want to see you in this shape... it upsets me so much! I beg you to carry on."

It is almost as if she had been an innocent youth forced to join in an army campaign unwillingly at the very beginning but now she has become a valiant warrior for her father. "There is a Chinese saying; 'you are whom you are close to - you become bright if you get near to the colour of red and dull with the colour of black - and I think it is quite true. I understand and accept what my papa has done and now I think and act like him... I am doing what I think should be done."



## Appendix Three: Personal Profiles

### Yao Fuxin

Yao Fuxin, born on 29 September 1950 and now 52 years old. Yao is a former worker at Liaoyang Steel Rolling Mill in Liaoyang. His interest in local affairs and the redundancy of his wife, Guo Xiujing, who used to work at the Liaoyang Ferro-Alloy Factory led in part to his involvement in the protests. He was elected in an informal election as one of the representatives of the protesting workers and had been involved in helping organize the workers for several years before his detention in March 2002.

Yao Fuxin, was detained on 17 March for his role in leading 2,000 workers from the Ferroalloy Factory along with a further 15,000 workers from five other factories in Liaoyang in a protest on 11-12 March 2002 against corruption and demanding the payment of wage arrears and pensions. On 30 March Yao Fuxin was formally charged with "Illegal demonstration and assembly". At his trial Yao Fuxin denied all charges of subversion and restated his belief in the government and his original desire to see the plight of the workers resolved.

Yao Fuxin had received little formal education after he was 'sent down' to the countryside as a youth in the 1960's. However, he is an avid reader and taught himself law among other things. Yao Fuxin is of medium height and used to be slightly plump before his detention. According to his family he is frank and trusting with a sympathetic face. His hair has turned grey while in detention.

Yao is married with one daughter, Yao Dan who is 25 years old. Yao Dan has been tireless in supporting her mother and trying to obtain her fathers' release. After he became unemployed Yao and his wife Guo set up a small grocery store for neighbouring homes. This small store became a place neighbouring workers - most of them from the Liaoyang Ferro-Alloy Factory - came to sit, drink tea and discuss the events in Liaoyang and the plight of the unemployed workers. Xiao Yunliang was among the frequent visitors. For this reason, the local PSB viewed the shop as a hotbed of labour activism and it was often targeted in surveillance.

The family told CLB that Yao Fuxin and his wife often gave free goods to the poorest families living nearby. One family in particular received frequent meals and free goods from Yao and his family. While detained, his family told CLB that he had given away his warm clothes to prisoners who were cold and weak

In another story given to CLB Yao and Xiao Yunliang both intervened with Factory officials to successfully get months of missing medical benefits for a local man in his 70's. This was after they had seen his wife begging on her knees in front of the Factory manager who has ignored her pleas for money.

### Xiao Yunliang

Xiao Yunliang was born on 6 May 1946 and now 57 years old. Xiao is a retired worker from the Liaoyang Ferro-Alloy factory and he had not been paid any wages or other benefits for the 24 months prior to the March demonstrations. He used to belong to the People's Liberation Army and it is said that that is where he got his upright bearing. Since his detention he has reportedly changed from being a tall man of medium build into a hunched and painfully thin old man. His wife, Su Anhua used to be a plump middle aged housewife but she too has become thin and is weak.

Xiao Yunliang was detained on 20 March 2002, with two other workers from the Ferro-Alloy factory, Pang Qingxiang, and Wang Zhaoming, after a demonstration demanding the release of Yao Fuxin. On 30 March Xiao Yunliang was formally charged with "illegal demonstration and assembly". At his trial Xiao Yunliang also denied all charges of subversion and restated his belief in the government and his original desire to see the plight of the workers resolved.

According to his family Xiao is a serious and candid man who is quick to speak out against injustice and wrong doing. His honesty often irritates some but he has earned the respect and trust of many. Xiao is married with three daughters.

While in the detention centre at Tieling, he reportedly attempted to stop fights from breaking out between inmates and several of the ex prisoners have sent words of encouragement and support to his family. While in the centre he often told others that he would leave before them - unfortunately he now faces four years in prison.

In late April 2003, one ex prisoner visited the family to express how much respect they had for Xiao - such a "good" man and how much sympathy they had with him and his struggle for the rights of ordinary people.

Xiao Yunliang is now in poor health. He is reportedly suffering from an eye condition which if not treated could reportedly lead to blindness. His failing eyesight has been noted since his trial when he was barely able to walk and could not see further than a few feet. On 17 April, Xiao was diagnosed as being blind in one eye with a cataract - a condition easily treated with simple surgery. He is at grave risk of losing the sight in his other eye because of the condition 'floaters' which he is believed to have developed after he was pushed into the police car when he was arrested. There are additional reports that he may be suffering from tuberculosis, probably contracted while in detention.



## Appendix Four: Selected and abridged interviews with Liaoyang workers, officials and the families of Yao Fuxin and Xiao Yunliang during March 2002.

*1/ Abridged Voice of America Report on Liaoyang Workers' Demonstration*

Yang Ming  
12 March 2002

*(The following is China Labour Bulletin's transcript of the report and has not been checked by the original reporter )*

(Voices chanting slogans:  
Leader: Workers want to eat!  
Crowd: Workers want to eat!  
Leader: Workers want a job!  
Crowd: Workers want a job!)

Journalist:

On Tuesday morning ten to twenty thousand laid-off Liaoyang workers gathered in front of the city government office chanting slogans, demanding that the leaders of the city government solve the problems of laid-off workers' livelihood and punish Ferroalloy (Tiehe Iin) Factory's corrupt officials. They also protested against police detention of the workers' representatives. One worker said:

Worker:

Some factories have given us some living expenses but still others don't. They're only paying us for two years! And after two years, won't we still have to live? Are we going to hang ourselves? Won't our wives and children have to live? Won't our old folks have to live? Won't the children have to go to school? Whatever they say is a lie.

Journalist:

A woman worker who had never spoken in front of so many people said:

Worker:

Gentlemen, compatriots, just as this friend already said, why do they arrest good people and not the corrupt officials?

(The crowds shout: That's right!)

Worker:

I just want to say these few words: if they try to arrest our representatives, will you let it happen?

(The crowds shout: No, we won't!)

Worker:

This government doesn't stand for the people; they cover up for the corrupt officials. Why don't they arrest our factory officials, who embezzled over a hundred million yuan? It's like worms eating up the factory; hundreds of millions of yuan have disappeared. Why are they not

arrested? They arrest us, workers. Who is this government for?

Worker:

Our fathers' generation gave their blood and sweat for the prosperity of the country and the prosperity of Liaoyang. Now everybody is saying "You offer your youth to the Party, but when you get old no one looks after you." .... All we want is 180 yuan [a month] for living expenses, is this a crime? ...It's more difficult for us to see the government officials than Kuan Yin Bodhisattva. We have requested meetings with the leading cadres of the government and senior officers of the police, but they wouldn't see us. How come that once the workers started demonstrating, they initiated a meeting? Can we only solve problems through demonstrations?

*The reporter also interviewed Mr Pang, a worker laid off from Tiehejin Factory. Pang and another 12 workers' representatives held a dialogue with the city government who agreed ...to have a meeting with the workers' representatives. The workers waited for over an hour in the meeting hall of the city government. Twelve officials, including the Deputy Secretary of the City Party Committee, two Vice-Mayors, secretary of the Policy and Legislation Committee, Chief of Justice of the Court, Prosecutor-General, and the director of the Public Security Bureau (PSB), met the workers. ..*

Representative:

They said, "We are very concerned about the problems put forward by the workers. We will definitely do something about them." They were trying to reassure everybody.

Journalist:

Did they offer any specific measures to solve the problems?

Representative:

No, they didn't. They didn't draw any conclusions. We are a little disappointed. But they guaranteed they would do something to solve the problem...Yesterday they issued a warning to the workers' representatives, saying that it was illegal for the workers to demonstrate and shout slogans, and that the police hadn't ... approved the demonstrations. .. the only result of today's meeting is that the government officials and the PSB chief guaranteed that no arrest would be made. They told the workers' representatives they could stay at home and not to worry that they would get arrested. The city leading officials asked the workers' representatives prepare their material and in a couple of days, when the General Secretary of the Liaoyang Party Committee returned they would set a time for another dialogue.