

Ontario, Canada: Union scuttles Falconbridge strike

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The strike by 1,260 production and maintenance workers at the giant Falconbridge nickel mining operation in northern Ontario was brought to an end last week with the ratification of a contract agreement which provides for workforce reductions of at least 10 percent. After over seven months of an often bitter stand-off, the agreement was reached in less than a week of new negotiations.

With strong endorsement by the union bargaining committee, the members of Mine, Mill & Smelter Workers Union Local 598/Canadian Auto Workers (CAW) ratified the three-year contract with an 87 percent vote in favor. The union leadership hailed the deal as a clear victory despite the job cuts and significant concessions on union structure and representation, because they had warned early in the strike that the company was trying to get rid of union representation altogether.

In addition to the loss of jobs, most damaging to union members is the splitting of operations at two plants in Sudbury. This had been steadfastly opposed by the union because of the threat posed to pension and seniority provisions, but apparently the company has prevailed. "We are very satisfied with the agreement," said Craig Crosby, a spokesman for Falconbridge Inc. "It addresses the things we have been looking for, such as the fundamental issues of efficiency and costs for our Sudbury operation."

Limited details of the contract which have been released indicate that the company has also achieved the cost reductions it was seeking through reduced union wages. It is also clear that the deal will give workers significantly less than what they were seeking to reach parity with workers at Inco, Falconbridge's main competitor in Sudbury. Workers will receive a mere 50 cent an hour wage increase and a 10 percent

cost-of-living allowance, in addition to a \$2,000 signing bonus. Further wage increase will be tied to the price of nickel.

Falconbridge is the world's third largest nickel producer and the strike has cost the company an estimated \$50 million, despite the fact that the company continued production at up to 60 percent of capacity during the strike, using management and scab labor from the first days of the walkout. In recent weeks the company had raised the threat of bringing in permanent replacements for the strikers and this has been offered as a reason for the union's eagerness to reach a deal.

The strike had become a test case for the Ontario government's new labor laws, which directly target union rights. A statement issued by the union bargaining committee sought to underscore the deal as a union victory: "Since the onset of the strike our membership has remained united in the face of Mike Harris's anti-labor government and laws, hostile courts, strike breakers, scabs and a company determined to make changes at all costs."

The militant posture of the CAW is belied by their prostration before the legislative onslaught of the Ontario Tories, including their flaccid opposition to recent changes to the Employment Standards Act which have reversed years of gains for workers rights. In the course of the strike, the CAW put forward a much publicized, but impotent strategy of protest actions against Falconbridge at their offices in Toronto. At the height of frictions, which at times grew violent, the union appealed to the Ontario Labour Relations board, claiming the company was bargaining in bad faith.

Over the course of the last year, nickel prices have been cut almost in half with a glut on the market, fueling speculation that the strike was in fact orchestrated to reduce production and exercise new

employer rights. The end of the strike has opened the door for an increased purchase of Falconbridge by Noranda, which has raised its interest in the mining giant over the past period to 55 percent ownership. The new contract will be an added attraction to Noranda in addition to the depressed share prices of Falconbridge. On news of the deal Falconbridge share prices fell 50 cents, to \$18.15.

Falconbridge has said that most workers will have returned to work within 30 days and that the company will be back to full capacity within two or three months.



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