Canada: Vale Inco unveils strikebreaking operation

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As 3,100 striking miners in Sudbury, Ontario enter their eighth week on the picket lines in a dispute with mining giant Vale Inco, company management is preparing to launch an unprecedented strikebreaking operation at the world's largest nickel, copper, and precious metals mine.

The miners, members of United Steelworkers (USW) Local 6500, have been on strike since July 13th against company demands for across-the-board concessions. They have been joined by 120 workers at Vale's Port Colborne, Ontario operation and 450 workers at its mine in Voisey's Bay, Labrador.

The company is demanding a three-year wage freeze, the scrapping of the defined benefit pension program for new hires, the dilution of seniority rights and the curtailment of a compensation program that ties bonus payments to the price of nickel. This "nickel bonus" was negotiated by the USW in the 1980s in return for surrendering annual wage increases. Under its terms, when nickel prices are high, miners share in the increased profits. During down years in the notoriously cyclical minerals market, no bonuses are earned. Vale has demanded that the threshold for nickel bonus payments be raised to near impossible price targets.

Announcing the planned use of replacement workers last week, Vale Inco Vice-President John Pollesel said, "A decision has been made to resume partial production. Training of selected employees is beginning this week to facilitate the process and help us to continue supplying customers, generating cash flow and providing meaningful employment for staff."

The company plans on mobilizing up to 1,200 mostly non-union managerial, technical and clerical personnel already on its payroll and "some minimal outside staff" in an attempt to undercut the strike. Two of five Sudbury mines will be re-started as well as some processing and smelting operations. Concerns are rife throughout the community for the safety of those employees forced to work underground in jobs that they are not properly trained to perform. Vale has yet to announce a date for the partial start-up.

Despite this provocation, the reaction from the USW bureaucracy has been muted. USW officials have agreed to a meeting with management to clarify Vale's plans. "They're going to be doing our work, so we deserve to know", said Myles Sullivan, USW area coordinator for District 6. He suggested that the union is "considering" several responses, including objecting to the company's scabbing operation through the grievance process.

USW District 6 Director Wayne Fraser, while expressing his "disappointment" with the company decision, downplayed the re-start threat, stating that Vale's partial production strategy would increase expenses for the company twenty-fold. Playing the nationalist card that is the stock-in-trade of union officialdom everywhere, Fraser said, "This isn't about delivering the product economically to the public, this is about provocation. This is about the Brazilians using their arrogance here in Sudbury to our members or saying ‘ha ha, look what we can do'." (In 2006, Inco was bought by the Brazilian-based mining giant Vale.)

A former Inco executive, speaking anonymously to the *Globe and Mail*, was more precise: "They just want to break the union. They want to completely hit the reset button on the entire labour situation and the agreements that have been put in place in the past."

Adding more fuel to the fire, company management has ordered some 50 technical workers organized by USW Local 2020 to take part in the scabbing operation because earlier in their careers they were given some basic core-mining training. Dan Serre, Local 2020 unit chair, meekly told the *Sudbury Star* that his advice to his membership is "Just do the work and do it safely. Do it slowly. It's not a race."

In the run-up to the strikebreaking threat, the company filed a $26 million claim in Ontario Superior Court against the union, alleging damage to the company due to "illegal" picketing activity. Vale Inco withdrew the complaint, however, when the union agreed on picket line protocols that allow individuals and vehicles to cross picket lines after a short delay. With that deal in their back pocket, company officials quickly moved to finalize their strikebreaking plans.

The struggle against Vale Inco raises crucial questions for workers everywhere. Based in Brazil, Vale S.A. is the second largest mining company in the world. Vertically integrated, it owns its own transportation networks, ports and processing plants across the globe. Its mines can be found in all corners of the globe—in Peru, Chile, Brazil, Indonesia, Mongolia, Congo, Guinea, Angola, Mozambique and Namibia.

Three years ago, Vale paid $19.4 billion to buy Inco, an iconic Canadian company that had mined nickel in Sudbury for over a century. In the past two years, the Inco operation has produced $4 billion in company profits. Yet Vale, locked in cut-throat competition with its global rivals, has insisted that if its operations are to be "sustainable in all pricing cycles" a "unified approach to compensation" across the globe requires that "Canadian workers to become more competitive with workers in less developed countries".

Of course, a more "unified approach to compensation" does not extend into the ranks of executive management. Between 2006 and 2008 total compensation to the top six executives at Vale S.A. increased by 120 percent!

Union officials and their boosters in the New Democratic Party (NDP) are attempting to divert the striking miners into the reactionary blind alley of Canadian nationalism and appeals to the right-wing Harper Conservative government. Such provocations as Vale S.A. is launching today could never happen, insist the USW bureaucrats, if the company was not foreign-owned. It is not capitalism itself that is responsible for the wholesale assault on workers' living standards. Rather it is "foreign ownership" that is the villain. With memories resembling those of an amnesiac, the union officials and social democrats quickly forget the vicious attacks launched on Inco workers throughout the twentieth century, including in 1980 when a program was put in place to axe twenty-thousand miners' jobs in the wake of a militant nine-month long strike in 1978-79.

Leo Gerard, president of the United Steelworkers "International", former National Director of the union in Canada and member of Sudbury Local 6500 in his youth, recently expressed the crude nationalist perspective of the union bureaucracy when he called for workers to "assert themselves as economic patriots" and denounced big business for "wanting to spend the tax dollars of unemployed Americans to create jobs in China and Indonesia, Korea and India." Aside from the demagogic rhetoric directed at the corporations—with which the union bureaucracy works hand-in-glove-the statement was a clear declaration of hostility to foreign workers.

Gerard is now championing a "Buy American" campaign (or when he speaks in Canada, a "Buy North American" campaign) to further stoke the fires of trade war. This perspective serves only to split the international working class by allowing corporations to pit one set of workers against another.

At a rally last week in Sudbury featuring NDP leader Jack Layton, the demand was raised for a revision of the Investments Canada Act to stipulate that the Federal government make public the details of any agreement it reaches with a foreign company allowing the takeover of a Canadian-based company. Currently, the legislation requires that Ottawa make a determination that a foreign purchase of a Canadian-based company will provide a "net benefit" to Canada before it can proceed. Frequently, this involves company pledges to retain some corporate functions in Canada.

Layton wishes to make political hay against the Conservative government in Ottawa by fueling idle speculation that there are some terms in the agreement that Vale reached with Ottawa in 2006 that would prevent Vale Inco from pursuing its concessionary demands if only the veil of secrecy was lifted. Both the union and the NDP have called upon Conservative Industry Minister Tony Clement to make the Vale agreement public, but Clement has refused to do so.

The nationalist orientation of the NDP and the trade unions has a definite logic. The unions gained strength following the Second World War during the heyday of the post-war boom, a boom that arose out of the destruction of two world wars and the Great Depression. Workers organized in trade unions were able to win certain concessions from employers and from the state in the form of higher wages and benefits and welfare state social programs. The perspective of national reform retained a certain feasibility under conditions of nationally-regulated economies and general global economic expansion-neither of which exist today.

Miners must reject the demands of Vale Inco that they pay for the world capitalist crisis and answer any attempt to reopen the mines with scabs by making their strike the spearhead of working class resistance to wage-cutting, union-busting and the dismantling of public and social services. Workers have absolutely no say in the financial, investment and production decisions of the firms for which they work. In every country workers face a similar future: rising unemployment, declining wages, economic depression.

The traditions of militant working class struggle associated with cities such as Sudbury must be revived and leavened with a program to mobilize the working class in independent industrial and political struggle against concessions and in defense of the jobs of all workers, the world over.

If capitalism is incapable of providing working people with a decent standard of livingand it can't—then working people, those whose collective labor produces society's wealth, must advance their own plan to organize production and employment internationally based on human need, not private profit and shareholder value.