

Interview with striking Vale Inco workers

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Port Colborne is a small industrial city (population 19,000) in the Niagara Region of southern Ontario, at the end of the Welland Canal, which links Lake Ontario and Lake Erie. Various industrial facilities have closed over the past three decades, leaving the town in a dilapidated state.

The Port Colborne Inco operation, which opened in 1918, used to employ more than 2,000 workers during its heyday—some 190 workers remain. No longer a nickel refinery, the facility produces a platinum-group metals concentrate and cobalt metal, according to the company web site. The operation also serves as a nickel packaging and distribution center.

A group of Port Colborne residents filed a class action suit against Inco in 2001, seeking three-quarters of a billion dollars in damages to health, property value and quality of life. Considered one of the largest environmental lawsuits in history, the case is expected to go to trial in 2009.

The neighborhoods around the Port Colborne Refinery show all the signs of industrial decay: boarded-up stores, houses with peeling paint, streets in various states of disrepair.

We spoke to Mike, Russell, and Derrick, three workers in the precious metals division, with nine, eight, and nine years' experience, respectively.

Mike explained that the major concessions demanded by the company included a new bonus structure, a two-tiered retirement benefits plan, changed "contract language," which involves Vale Inco's demand to be able to move workers around as it likes, and the company's refusal to roll cost-of-living increases into the basic pay.

We asked about the bonus plan, which ties workers pay to the company's profitability. Mike commented: "Back in the 1980s, we weren't involved, because we weren't here, but, yes, we gave up wage increases and benefits for the bonus, which is linked to the price of nickel, and the bonus is really under attack."

We asked whether production was going on at the facility.

Mike: "Not in the PCR [Port Colborne Refinery]. There is some work going on in research. There's some kind of a start-up plant. It was supposed to start up in July. Contractors come in. None of the work we do in the Port

Colborne Refinery is being done, as far as we know.

"We all work in the precious metals—platinum, silver...."

"In our opinion, once the company gets a two-tiered retirement benefits system, they will go for two-tiered wages. It's just the foot in the door. And then, there's a real divide in the work force. It's been a good place to work. It's changing. I've been here nine years.

"We all roughly got hired at the same time. A lot of guys are in their 30s and 40s.

"The senior workers are almost all retired now. And sometime after this contract, they will all go. And then our most senior employee will have something like 20-22 years."

Is this one of the major workplaces in the town? Are there a lot of people connected one way or another to this plant?

Mike told us, "That definitely was the case 25 years ago. At one time, when there was actually a nickel refinery here, this place employed 3,000 people. I believe it was 1984."

Russell: "They closed the nickel refinery. They only package it and distribute it. The nickel came from Sudbury."

We noted that the town was back on its heels.

Mike: "At one time, this town was thriving. I'm not from here, but Inco used to run Port Colborne. If you didn't work here, you had relatives who worked here."

Derrick: "And the company made a far greater contribution to the community back then. They had a baseball field, baseball teams that played each other."

What did they think the company was planning for the future?

Mike: "The company is first and foremost a nickel company, it's nickel, nickel, nickel. We refine precious metals which are worth a lot of money. And that's an after-market product. Our concern is if they were ever to outsource what we do to another refinery, another company. And refine it elsewhere, and just keep the nickel. I hope that would never happen, for Port Colborne that would be devastating. If we ever lost the precious metals refinery, all we'd have is the cobalt, and the nickel packaging. That might be 80 or 90 people."

What has happened under the new owner, Vale?

Mike replied: "It's definitely different. It's not quite three

years that they've owned us. And when it was Inco, they just looked out for themselves. It was a nickel company and all they had to worry about was nickel. When there was a strike, like there was six years ago, we knew, they knew, that at some point they had to start making nickel again, digging up the nickel. There was a light at the end of the tunnel, at least as far as that contract was concerned.

"Now, the company is so big, and it's my understanding that the nickel division makes up only 14 or 16 percent of their operation. It's not their only interest, like when it was Inco. So at least for this strike, there's always the opportunity for them to starve us out, and concentrate on other areas of their business, and let us just bake here for a while.

"In dealing with such a big company, which I know very little about, I guess that's a worry."

"They're the number-two mining company in the world, with their eyes set on being number one. BHP Billiton is the largest mining company, I believe, British and Australian."

How do you confront these concessions demands, which are happening everywhere?

Mike: "I don't know, but the steelworkers, the miners, have a long history of fighting for what they believe in, digging in their heels. And I don't see that changing."

Russell: "We have qualified people here. All of us took a year training before we started working in the plant, and three to five years to get up to speed with the guys who were in the plant. So it's a lot of training that they're wasting right now, and you can't just send anyone down in the mine and drill dynamite. It is a skilled work force, and, like he said, it's a good place to work, but people are finding other jobs. They're losing out, they're going to have to train new people."

What does the union, the United Steelworkers, tell you?

Derrick: "Not much, they haven't bargained in a long time."

Mike: "It's our understanding that the company's final offer was their final offer, in fact, their *first* offer was their final offer, and they tried to shove it down our throat. Anything that you read in the newspaper, their spokesperson says, 'We're always ready to come back...as long as you will accept concessions.' And that seems to be their position. A standoff is well under way, and I don't see any end any time soon."

Russell: "They have a large stockpile over the last year and a half, all those steel companies slowing down production, not needing nickel. We don't know if they've got it stored up, but we would imagine they did something with the nickel they produced in the past year and a half, since they weren't selling it."

Mike: "A few years ago, the price of nickel spiked up to

about \$25—it's \$8 dollars now—and we all got really nice bonuses for about a year. Now that's not the case. We get quarterly bonuses if the company reports a profit. For the past two quarters, the Ontario division didn't report a profit. So we didn't get a bonus. The company made \$4 billion in profits, but not in the last two quarters—there's also creative accounting."

Russell: "The formula is 25 cents for every \$10 million in profits—we make 25 cents an hour for every 10 million they make. For us to get \$2 or \$5 in bonus, that takes a lot of 10 millions."

We pointed out that they were at the mercy of how much profit the firm makes. Vale Inco executives' pay is not tied to profits, which go up and up.

Mike: "That's my worst fear. They attack our bonuses, and just to give it to CEOs and COOs. Then what's next?"

Look what's happened to the auto workers, we pointed out.

Derrick: "But the auto companies were hurting. Inco is making profits. We're the next big ones to be tested, but we're profitable. We're not in bankruptcy, and no one is saying that they're going to close the door if you guys don't take concessions...but they're doing this all the same. That's the way they're playing it."

Mike: "They gave Rick Wagoner of GM \$7 million, they fired him, and they gave him millions."

Derrick: "They're using the economic crisis this year for everything, to demand everything back. The pressure always falls on the working person."

Russell: "I'm from the auto industry so I know, I spent 16 years in an auto plant. At GM in St. Catharine's. It was either go to Oshawa, or look for another job, so I looked for another job. I gave up the auto industry...I worked in the foundry. Hammer and chisel all day long."

"We could be out here a long time, a long time."



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