

# Vale Inco strike: Labour bureaucrats promote nationalism

Carl Bronski  
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As the strike at nickel and precious metals mining giant Vale Inco enters its ninth week, leaders of the United Steelworkers (USW) and the Ontario Federation of Labour (OFL) continue to promote the illusion that the wholesale attacks launched by the transnational corporation on the 3,300 striking workers is somehow due to the fact that the company is headquartered 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 planet. Its mines and smelters can be found in all corners of the globe—in Europe, 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, Ontario, for more than 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 become more competitive with workers in less developed countries.”

In the current dispute, the company is demanding that workers at its Sudbury, Port Colborne (see accompanying interviews) and Voisey’s Bay, Labrador, installations accept a three-year wage freeze, a two-tier pension scheme, concessions on seniority rights and the virtual surrender of a “nickel bonus” that had provided workers with enhanced payments whenever nickel prices soar on the notoriously volatile world market. The bonus had been negotiated in the 1980s as a trade-off for years of wage restraints.

In the past several weeks, management has prepared to partially restart mining operations at its main site in Sudbury, using its pool of 1,200 managerial, technical and

clerical workers who are employed at the mining complex but are either non-union or organized in a USW local that is not on strike. The company has also stated it will bring in some “third parties” to assist in training the white collar staff to perform the jobs of the striking miners and mill workers. In a further provocation, management has increased its camera surveillance of the picket lines and posted a warning to workers that the company “will respond quickly to any and all (picket line) incidents should they occur.”

Responding to the company’s plans to launch a strike-breaking operation, OFL President Wayne Samuelson said the “moves the company has made demand a rethinking of the conditions that are put on the foreign purchase of Canadian businesses. It’s very clear that when these foreign owned multinationals come into our country, they do not operate with any consideration for the well-being of hard working Canadians. They are trying to push workers out of the middle class through unreasonable concessionary demands. It is all part of a race to the bottom that we can’t allow foreign companies to force us into.”

Samuelson’s sentiments are echoed by the USW officialdom at every possible opportunity. “This isn’t about delivering the product economically to the public,” said Steelworkers District 6 chief Wayne Fraser, “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’.”

The bureaucrats in the trade unions along with their mentors in the New Democratic Party promote the illusion that there are “good” home-grown capitalists, who, for the benefit of all Canadians, altruistically refuse to maximize their profits. This chimera is counterposed to the “bad” foreign interlopers who will do their utmost to beggar the Canadian population.

Yet even a casual observer of the history of mining in

Canada, let alone of the Inco operation, will have no trouble recalling the relentless drive by Canadian ownership to maximize their own profits at the expense of the mining communities and the bitter strikes that followed—including the Great Inco Strike of 1978-1979 that shortly after its conclusion saw the permanent layoff of more than 20,000 mine workers. Moreover, the most powerful Canadian-based corporations are also multinational, like Vale, scouring the globe for the best possible return on their own investments at the expense of workers internationally.

This nationalist perspective, which seeks to bind workers to their “own” national capitalist class, seems to know no bounds. Last week, Ken Neumann, Canadian president of the USW, publicized a letter he sent to the federal immigration and human resources ministers asking that they “declare unequivocally” their opposition to any attempt by Vale Inco to bring in foreign workers to undermine the strike despite every indication that the company plans to marshal only its own Sudbury-based employees in the strike-breaking operation.

The union bureaucracy also met with Michael Ignatieff, leader of the opposition, prior to a \$550-per plate fund-raising dinner he was attending as part of the pre-election caucus of the big business Liberal party. The union has been pressing opposition federal politicians to force the government to make public the text of the purchase agreement Vale Inco signed in 2006. That purchase was subject to a foreign investment review process that stipulates that such takeovers must provide a “net benefit to Canada.”

Seeking to use the dispute to make political points against the Conservative government, Ignatieff stated, after his lengthy meeting with USW officials, “Vale Inco when they took over the company, made very specific undertakings to the people of Canada and the government of Canada. Those undertakings have never been made public. The union wants to know what Vale Inco promised the people of Canada.... Canada welcomes inward investment but not at the cost of Canadian jobs.”

Of course, such agreements are written with the widest possible room for “interpretation.” When, shortly after purchasing the company, Vale announced layoffs, Minister of Industry Tony Clement said that Vale still employed more workers than had Inco prior to the sale, and in any case, Vale demonstrated that its layoffs were spread across its international operations and therefore, justifiable. The government continues its refusal to release specifics of any agreement because without Vale’s

approval, disclosure would be a criminal act.

While it makes its nationalist points with the federal Conservative government and the opposition Liberal Party, the USW leadership is much more circumspect in its dealings with corporate management. Late last month, USW officials attended a meeting with management to clarify Vale’s strike-breaking plans. “They’re going to be doing our work, so we deserve to know,” said Myles Sullivan, USW area coordinator for District 6. At the meeting, union officials pleaded with management to reconsider their tactics.

While it baits foreign workers, the USW has not called on one of its own locals to observe picket lines. 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, USW 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 meantime, the local has filed a grievance with the Ontario Ministry of Labour that charges Vale with failing to follow the “job-posting” process outlined in the collective agreement.

Miners must reject the demands of Vale Inco that they pay for the world capitalist crisis and must 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—whether those firms are headquartered in Toronto, Calgary, New York or Rio de Janeiro. In every country, workers face a similar future: rising unemployment, declining wages and 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.



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