Canada: Vale Inco continues provocations against Steelworkers

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31 October 2009

Management at Vale Inco's strikebound mine, mill and smelting complex in Sudbury, Ontario admitted last week that they have been training some non-striking employees to restart the company's Copper Cliff smelting operation. This latest provocation follows on the heels of the company's restarting last month of minimal mine and mill operations in an attempt to undermine the now 110 day-old strike.

Vale Inco is using managers, as well as office workers who are organized in non-striking United Steelworkers (USW) Local 2020, to perform mine and mill duties normally done by the strikers. The moves to restart production during an industrial dispute are unprecedented in the more than century old history of mining operations in the Sudbury Basin.

The 3,100 Vale Inco workers in Sudbury, members of USW Local 6500, have been on strike since July 13 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 nickel and cobalt mines at Voisey's Bay, Labrador.

Inco workers have a long tradition of militancy. A nine-month strike in 1978-79 by some 20,000 Sudbury miners resulted in the most workdays lost due to a labour dispute in Canadian history. The Sudbury miners last struck the company for three months in 2003 in a fight against contract concessions. And only three years ago, the Voisey's Bay workers struck for two months against rapacious company demands.

In this dispute, Vale Inco 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.

Corporate management has not been content to simply organize strikebreaking provocations. Early on in the strike, Vale managers announced that a $5 per month "top-up" to the smaller pensions collected by the most aged retirees or their widows would be stopped. Injured workers who were performing light duties before the strike were ordered to cross picket lines or forfeit their supplemental medical payments. Picket captains and the more outspoken strikers have been the target of a barrage of legal actions launched by the company for "offenses" such as maintaining picket lines and circulating leaflets. Last week, the company announced 24 permanent layoffs amongst office workers organized in USW Local 2020.

The use of about 50 of these office workers to perform operations in two of Vale's mines and its Clarabelle mill was the subject of a grievance hearing last week at the Ontario Labour Relations Board. USW lawyers argued that by ordering the office workers under threat of discipline to go into the mines, the company has undermined the union's ability to conduct a strike and created an "inherently hazardous workplace." They asked the Labour Board to issue a cease-and-desist order against the company. Corporate lawyers countered that there was no clause in the office workers' collective agreement that restricted their deployment to other duties. In any event, the board refused to order a stop to the strike-breaking practices. Instead, they ruled that a full hearing would be held at the end of November to determine the merits of the case.

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 Europe, Peru, Chile, Brazil, Indonesia, Guatemala, Mongolia, Congo, Guinea, Angola, Australia, New Caledonia, 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. The company earned over $13 billion globally last year and has doubled the price of its stock in the past 12 months. At the same time, it has been ruthlessly cutting jobs and capital investment.

Locked in cutthroat competition with its global rivals, Vale is insisting that if its operations are to be "sustainable in all pricing cycles" it must impose a "unified approach to compensation" across the globe. This requires, contends Vale, that "Canadian workers become more competitive with workers in less developed countries."

On Wednesday, Vale released third quarter results showing that it made a $1.7 billion profit from July through September. However, the company report also indicated that it lost $319 million in nickel and byproducts revenue at its Canadian

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operations during the same period and that Vale paid an additional $209 million in expenses resulting from the "idling of Canadian nickel operations."

The leadership of the USW—whether in Sudbury, Toronto or Pittsburgh—has advised the Inco strikers to be prepared for a very long strike, possibly lasting into next spring. They offer no perspective to the workers, however, for beating back the company's concessionary demands. The union's hope is that as Inco's nickel stockpile dwindles and metal prices increase due to the Canadian production cuts, the company will be induced to return to the bargaining table.

In the meantime, the union bureaucracy is continuing to foment reactionary nationalist conceptions amongst the membership. Last week, the USW welcomed Maude Barlow, a former Liberal Party advisor and the head of the ultra-nationalist Council of Canadians, and Ontario Canadian Union of Public Employees leader Sid Ryan to their picket lines. Barlow and Ryan are campaigning to erect various trade barriers both nationally, provincially and even municipally—a campaign that serves to divide workers, while promoting illusions in capitalism.

At the same time, the USW leadership cannot ignore the fact that Vale is a giant, transnational corporation. They have dispatched union officials to Brazil, New York, Europe and Australia to "raise awareness" about their strike with their fellow union bureaucrats. Yet the union leaderships in every country where Vale operates push their own version of the national "defense" of jobs. Thus, after an extensive USW tour of Brazil this past summer in which undying solidarity was pledged by all, Brazilian metal workers officials lobbied the country's social democratic president, Luiz Lula, to urge Vale to redistribute future capital investment outlays back to its Brazilian operations.

Last week, after Lula had threatened to raise mining royalties, Vale announced that fully two-thirds of its 2010 $12.9 billion capital spending budget will be earmarked for its Brazilian operations.

But the Brazilian labour bureaucrats are no different than their counterparts in Canada or anywhere else. 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, regularly expresses the crude nationalist perspective of the union bureaucracy. In a speech last year 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." The statement was clearly aimed at fostering 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 USW rally last month in Sudbury featuring New Democratic Party (NDP) leader Jack Layton, the demand was raised for the Investments Canada Act to be revised so as to compel the federal government to make public the details of any agreement it reaches with a foreign company when 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.

The bureaucrats in the trade unions along with their allies in the social-democratic NDP promote the illusion that there are "good" homegrown 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 Inco itself, will have no trouble recalling the relentless drive by Canadian owners to maximize their profits at the expense of miners and mining communities and the bitter strikes that followed—including the "Great Inco Strike of 1978-1979," which shortly after its conclusion saw the company permanent lay off thousands of 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.

Miners must reject the demands of Vale Inco that they pay for the world capitalist crisis and answer the attempts to re-start production 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 living— and 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.

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