

Rio Tinto Borax locks out 570 California mine workers

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On Sunday morning, January 31, Rio Tinto Borax locked out 570 union workers from its mine in Boron, California, in the Mojave Desert. The lockout followed a failed five-month attempt to negotiate a new contract by the International Longshore and Warehouse Union (ILWU) Local 30.

The prior contract expired two months ago. Rio Tinto presented a contract offer on January 28, along with a lockout ultimatum; union employees would be barred from working if they did not ratify the offer before January 31, which they failed to do.

When union workers showed up Sunday the entrance to the mine was blocked not only by private security personnel, but also by Kern County Sheriff's deputies clad in riot gear.

Rio Tinto immediately brought in hundreds of replacement workers, provided by J.R. Gettier & Associates, a Delaware company that bills itself as a specialist in labor strike security and replacement workforce. Gettier personnel were also those blocking the entry of the locked-out workers.

Borax, the mineral harvested at the Rio Tinto mine in Boron, is an industrial mineral used in products such as soaps, detergents, fertilizers, and glass. In 2008 the facility at Boron, which is the largest borax mine in the world, produced 42% of the globe's refined supply of this mineral. It is the largest open-pit mine in the state.

Rio Tinto, a London and Australia-based mining giant with operations on five continents, had \$58 billion in sales in 2008 and just short of \$16 billion in pre-tax profit. Despite this, the company is facing pressure as the result of growing overseas competition.

Rio Tinto has lost 25 percent of its global borax share over the last decade, mostly to Turkish state-owned Eti Maden. Turkey has 72 percent of the world's borax salts and 4 billion tons of estimated borax reserves. Eti

Maden pays its union workers \$9.70 an hour, while average pay for the Boron miners is a little over \$25 an hour.

In cutthroat competition with its global rivals, Rio Tinto is trying to drive down the wages of its American workforce in order to bring their compensation on par with that of workers in less developed countries.

The company is also facing a significant debt burden, as the result of a series of mergers and acquisitions over the course of the past few years.

In 2007 Rio Tinto bought Canadian aluminum company Alcan for \$38.1 billion, in part to head off an attempted takeover by rival mining giant BHP Billiton. The Chinese government-owned resources group Chinalco and US aluminum producer Alcoa purchased 12 percent of Rio Tinto at the time, in a move to block BHP Billiton's attempt to buy the company.

Debt incurred on the 2007 Alcan purchase required Rio Tinto to pay \$9 billion in 2009. It owes another \$10.5 billion, which it has to pay by the end of 2010. The company has sought to raise cash through a combination of asset sales and equity infusions.

At the mine in Boron, Rio Tinto is attempting to introduce what it describes as "modern workplace practices that will allow it to base work assignments and promotions on experience, skills, and performance rather than solely on years of service." It wants a more "competitive" system of distributing wages.

Rio Tinto's proposed system, called "The Matrix," was instituted over the last five years at the company's Kennecott copper mine in Utah. In practice, it means that the mining outfit can change schedules, cut hours or force overtime, and eliminate work classifications at a whim. Seniority rights are junked.

According to Local 30 Communications Director Craig Merrilees, "Over 500 workers gathered at the

Union Hall on Saturday [January 30] and went over the company proposal line by line. The company is proposing to take good full-time jobs and chop them up into part-time junk jobs with few benefits. The members who participated in the meeting unanimously rejected the proposal.”

Merrilees added, “They want to be able to pick and choose who works, who doesn’t, who gets promoted, who gets raises and who gets what jobs,” He said, “To their credit, people are standing up and saying, ‘Enough is enough. You may be big, you may have operations all over the world, but the line is being drawn here in Boron and you will have a fight if you want to destroy our jobs, our lives and our communities.’”

ILWU International President Bob McEllrath recently wrote about the Rio Tinto lockout, claiming, “We are going into a big battle, and it is going to be a long and hard fought one.” In reality, however, the union leadership will not wage a real struggle to defend the jobs and living standards of the Rio Tinto miners.

While workers are joining committees to collect and distribute groceries, raise donations, and mobilize community support, because the lockout is not a strike, the ILWU insists that its rules do not provide for a strike fund. The union’s refusal to financially support their membership in the face of the lockout is a sign of the union leadership’s real attitude towards the miners.



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