Canada: Vale Inco steps up scab operation

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Vale Inco, the giant Brazil-based mining conglomerate, announced this week that it intends to increase the use of replacement workers to break an eight month strike by 3,100 members of the United Steelworkers (USW) in Sudbury and 120 workers in Port Colborne, Ontario. Another 200 nickel and copper miners have been on strike for seven months at the company's Voisey's Bay facility in Newfoundland and Labrador and face similar threats from Vale Inco management.

"We are looking to engage the services of one or more contractors and asking them to source the labour," said company spokesman Steve Ball. "This is not intended as a strike-breaking move, and that is not the message we want to send to the union. We want our workers back at work. But it is true that we have never produced during a strike before. We need to ensure that our operations have a long-term future and we need to move forward."

No one was fooled by Ball's double-talk. The company has for several months dragooned managers as well as non-striking technical and office workers organized in another USW local to work in the mines, mills and smelters in the sprawling Sudbury basin and at Voisey's Bay. Along with this workforce of around 1,200 employees, Vale is already using an estimated 200 contract-workers, many of them sequestered behind picket lines in make-shift company barracks for weeks at a time.

But despite these deployments and belying company boasts of near full production at some of its key facilities, output is well below 50 percent of capacity at its mills and smelters and even less in the mines. Indeed, although the company maintained that its Copper Cliff smelter in Sudbury was operating at "full capacity" to supply nickel oxide matte for Vale's Clydach, Wales, refinery, it was recently revealed that just one of the two smelters is even operational.

With recently released labour court documents showing the company losing seven million dollars (US) in production a day, management is now gearing up for a major escalation of its scabbing operation.

"Sudbury is a powder keg," said USW District President 6 Wayne Fraser. "We are really worried about what this means and so are the police. People will be uncontrollable. They won't allow contractors to go in past the picket lines. Vale can go and get stuffed. We are sick and tired of foreign capitalists coming in and undermining the Canadian way of life."

Since the beginning of the dispute, Fraser, alongside the Local 6500 leadership in Sudbury and USW International chief Leo Gerard have at every turn sought to play the nationalist card, lambasting the acquiescence of the federal government in allowing a foreign-owned firm to purchase a company that had for over a century been headquartered in Canada. The bureaucrats in the trade unions along with their allies in the New Democratic Party (NDP) 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 counter-posed 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 owners to maximize their 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.

The USW's nationalist denunciations of Vale Inco are part of its ongoing promotion of economic nationalism. In the name of defending "Canadian" or "US jobs," the USW calls for protectionist policies aimed at placing the burden of unemployment on workers in other countries, while imposing wage and jobs cuts on their own members in order to boost the corporate "competitiveness" of "our" companies

In the case of the Vale-Inco strike, the bureaucrats' fulminations against the Brazilian nationality of the mining giant's owners are a smokescreen for the USW's refusal to mobilize the working class in Ontario, Canada's industrial heartland, behind the strike and shut down the company's operations. It goes hand in hand with their efforts to convince workers to look to the NDP and even federal Liberal Party leader Michael Ignatieff for support in pressuring the company to reach a settlement and serves to prevent any attempt to unite Vale workers around the world in a common struggle.

The USW's economic nationalism dovetails with calls from sections of the big business establishment for greater government support for Canadian corporations—measures whose logic is protectionism and trade war. Last week, Jeffrey Simpson, senior contributor at the *Globe and Mail*, lamented the purchase of Inco by the Brazilian based Vale and a similar take-over of Inco's competitor Falconbridge by Xstrata, a Swiss-British consortium, arguing that they bode ill for Canadian capitalism. "In a global economy," writes Simpson, "a country needs global companies, headquartered at home…. Decisions get made where head offices are located; research tends to be concentrated, world outlooks shaped there."

USW District President 6 Wayne Fraser is right about one thing, however. The situation in Sudbury can quickly take an explosive turn. Certainly the anger and desperation of the workers is increasing. Harassed daily by hired strike-breaking security agents from the notorious AFI International and threatened with victimization and layoff by management, strikers have maintained their militancy despite extreme deprivation.

Over the course of the dispute, striking workers have been forced to survive on $800 per month in strike pay. Further, since the strike began it has been estimated that 4,000 workers in mining support industries have lost their jobs due to the work stoppage. Sudbury's official unemployment rate has climbed to 10.4 percent giving the city the third highest rate of any urban center in Canada. As a result, all the signature effects of a working class under pressure are evident. Food bank usage has increased by 30 percent, family crisis centers are over-loaded and home foreclosures continue to climb.

Vale's strike-breaking moves come on the heels of a resounding repudiation of the company's latest contract offer this past weekend by strikers in the two Ontario towns. Tossing the contract proposal into fire barrels as they exited polling stations, workers voted by a 98 percent margin against the company's concessions contract in Port Colborne and by 89 percent in Sudbury. In Voisey's Bay, briefly re-started negotiations broke off mid-week with no contract offer tabled.

At the union meetings before the vote, USW officials recommended that the membership reject Vale's concession demands, calling the company proposals "insulting." Vale moved from a derisory five-year wage freeze in July to last week's offer of a miniscule 80 cent per hour increase over the same period of time and a 28 cent per hour cost-of-living increase. They also moved their trigger point for the "nickel bonus" incentive program to kick in from $5 per pound of ore to $3.50. The trigger point prior to the strike was $2.25 per pound. Significantly, the union found common ground with the company in its demand to create a two-tier pension system that forces new hires out of a defined-benefit plan to a more vulnerable defined-contribution plan.

The union has also accepted the further downsizing of operations in Sudbury and the concomitant speed-up that this will entail. Vale has made it clear that the jobs of over 200 workers who have opted for retirement since the beginning of the strike will not be replaced as part of further "restructuring." Union officials did not oppose this measure, preferring instead to limit their comments to calling for layoff packages and job security provisions for those positions remaining after continuing retirement attritions.

Workers should take note of the concessions the union leadership have already privately accepted. It appears that the three key issues in the dispute—concessions to the pension plan and the nickel bonus and employment levels—have been accepted by the bureaucracy. At the contract vote meeting, officials reserved their most fiery rhetoric for a more transparent "return to work" agreement. Currently, the company has refused to provide a clear "ramp up" statement on how many workers will ultimately return and when.