Canada: Sudbury miners' strike enters eighth month

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Eight months after 3,200 mine, mill and smelter workers in Sudbury and Port Colborne, Ontario, struck against Vale Inco's across-the-board concessionary demands, company and United Steelworkers (USW) officials met with a labour mediator this week. Meanwhile, the *Sudbury Star* has reported that Vale will begin negotiations with 450 nickel and cobalt miners at its Voisey's Bay, Labrador, operations March 15. The Voisey's Bay workers have been on the picket line since August.

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.

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.

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 the company, that "Canadian workers become more competitive with workers in less developed countries"—a demand that will result in speed-up and skyrocketing workplace injuries even as pensions and wages are eroded.

The move by the company to meet with a mediator comes as global nickel prices steadily increase, beating earlier market forecasts. Analysts predict an increase in demand for nickel as stainless steel production begins to recover. Nickel is essential in stainless steel production. China, alone, expects to increase its production share by at least 19 percent this year, threatening to produce a global nickel shortage in the months to come. In the face of this, nickel prices have already jumped 20 percent this year.

Vale anticipates that its steadily escalating scabbing operation at the giant Sudbury mining complex and the growing impoverishment of the thousands of striking workers will induce the union to acquiesce to its concession demands.

In October, Vale used managerial personnel and non-striking USW-organized office workers to restart minimal mine and copper concentrate mill operations in Sudbury. In January, smelter production was restarted. Alongside management and office staff, Vale is using contractors and so-called replacement workers, many of whom are permanently bivouacked inside the mining complex.

The scabbing operation is being carried out in great secrecy, but dozens and possibly hundreds of "replacement workers" are working at Vale Inco's Sudbury operations.

The company claims that the smelter now operates at 50 percent capacity and that the capability exists to further increase mine, mill and smelter production. The use of scab labour is unprecedented in the hundred-plus-year history of mining operations in the Sudbury Basin. To compound the matter, Vale has used professional strikebreaking security contractors to hound peaceful picketers throughout the winter.

Corporate management has not been content to simply organize strikebreaking provocations. Early on in the strike, Vale managers announced that a C$5 per month "top-up" to the smaller pensions collected by the most elderly 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 targets of a barrage of legal actions launched by the company for "offenses" such as maintaining picket lines and circulating leaflets.

Last fall, the company announced 24 permanent layoffs amongst office and technical workers organized in USW Local 2020. That local, which has refused to mount any serious campaign against the use of its members as replacement workers, is currently in negotiations for renewal of its own contract with Vale.

In a further provocation, a leaked document from a June 2009 Vale "strategy workshop" outlines proposals to cut 1,300 jobs at the Sudbury complex, drastically increase labour productivity, and change work practices. The USW has entered the leaked document into evidence in its application to the Ontario Labour Relations Board to order the company to resume bargaining.

Over the course of the dispute, striking workers have been forced to survive on C$800 per month in strike pay. Further, an estimated 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 centre 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 overloaded and home foreclosures continue to climb.

Since the strike began, the Local 6500 leadership in Sudbury, USW District 6 President Wayne Fraser, and USW International chief Leo Gerard have responded to Vale's attacks and provocations with lame appeals to stockholders and company representatives for "fair play" combined with a series of international publicity stunts and worthless pledges of solidarity from union officials in several countries where Vale has operations. And at every turn, they seek to play the nationalist card, lambasting the acquiescence of the federal government in allowing a foreign-owned firm to purchase a company that for over a century had been headquartered in Canada.

The bureaucrats in the trade unions along with their allies in the social-democratic New Democratic Party (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 will have no trouble recalling the relentless drive by Canadian-based companies 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-owned 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 cynical proclivity of the USW officials to distort the reality of capitalist globalization apparently knows no bounds. When the Swiss-British mining conglomerate Xstrata, which owns Sudbury's other nickel mining operations (formerly Falconbridge), settled with the Canadian Auto Workers (CAW) local representing 540 miners last month, USW and CAW bureaucrats hailed the deal, claiming that even though the company was foreign-owned, it followed "Canadian" bargaining traditions. That pro-company deal saw a two-year wage freeze with a meagre 20-cent-per-hour increase in the third year. Moreover, the union agreed with the company to enter a joint initiative to reduce future defined pension benefits and bowed to company demands to increase targets for reaching incentives.

Miners must reject the demands of Vale Inco that they pay for the world capitalist crisis and answer the company's scabbing operation 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 defence 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 labour 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.