Newfoundland inquiry issues report on year-and-a-half long Voisey's Bay strike

Carl Bronski
13 January 2011

An industrial inquiry struck by the Conservative provincial government of Newfoundland and Labrador issued its first set of non-binding recommendations last week in an effort to resolve a 17 month-long strike at the Voisey's Bay nickel mine in Northern Labrador. The mine, owned by the Brazilian transnational Vale S.A., sits on one of the richest nickel ore deposits in the world.

The inquiry's report, although critical of both sides in the dispute, recommends a contract solution that meets virtually every concessionary demand that Vale management has insisted upon over the course of the strike. The United Steelworkers union (USW), the bargaining agent for the Voisey's Bay strikers, immediately embraced the recommendations.

Vale, however, cognizant of its whip-hand in the dispute, criticized the findings because they include a proposed contract expiry date of December 31, 2014 that the company deems to be too closely aligned with the contract expirations of deals recently struck at Vale's extensive operations in Ontario. Vale, which is planning to invest billions of dollars into its Canadian operations, intends to launch further attacks on wages and conditions in its next round of bargaining four years hence. The company would stand to gain additional negotiating leverage if mining operations in Labrador and Ontario were not threatened with strike action at the same time.

Vale is in no hurry to settle the strike. The second largest mining company in the world, it is vertically integrated and owns its own transportation networks, ports and processing plants across the globe. Its mines and mills can be found in all corners of the world—in Peru, Chile, Brazil, Indonesia, Mongolia, Congo, Guinea, Angola, Mozambique and Namibia. Its growing profit levels continue to meet with the approval of its shareholders.

In Newfoundland, it presented evidence to the inquiry that it has suffered little economic fallout as a result of the prolonged strike, which until last summer was part of a much wider dispute.

In July 2009, 3,100 mine, mill and smelter workers in Sudbury, Ontario and another 250 workers in Port Colborne, Ontario, organized by the USW, went on strike against massive concession demands from Vale. Three weeks later, they were joined by about 200 workers at the Voisey's Bay facility.

After almost a year on the picket lines, the Ontario strikers suffered a staggering defeat, forced by twelve months of economic privation and the treachery of the union leadership to accept a concessions-laden contract almost identical to one they had decisively voted down only months before.

Over the course of the bitter year-long battle in Ontario, Vale mounted an unprecedented scabbing operation in Sudbury that was abetted by USW officials who systematically isolated the Vale workers' struggle, diverting the workers into a futile campaign aimed at convincing the province's big business Liberal government to introduce an anti-scab law. The USW substituted occasional media stunts for militant strike action, kowtowed to the courts at every turn, and even acquiesced to the company's use of USW-organized office and technical workers to do the strikers' work. When strikers sought to blockade entrances to the Sudbury mining complex, the union worked with the judiciary and the Ontario government and Labour Board to demobilize the workers' spontaneous action. (See: Steelworkers officials dismantle blockade at Vale Inco)Throughout the dispute, union leaders framed the strike in reactionary nationalist terms, comparing predatory "foreign companies" with supposedly more sensitive, “worker-friendly” Canadian capitalists.

With the Voisey’s Bay workers left isolated by the defeat in Ontario, Vale sought to press home its advantage, refusing to offer a similar contract to the Labrador strikers and demanding even more draconian concessions. Just as was the case in Sudbury, Vale has organized a phalanx of replacement workers who cross the strikers’ picket lines daily with impunity. As the strike has dragged on, almost half of the striking workers have left the picket lines to gain less remunerative employment elsewhere.

The impact of the strike has been devastating on the local population. Although a relatively small workforce, the wages and benefits earned at the mine, not to mention the many spin-offs to contractors and suppliers, provided a significant economic boost to the underdeveloped and sparsely populated sub-Arctic region. Aboriginal representatives for the Inuit and Innu communities around the mine (members of which comprise about half the Vale workforce) have reported increases in financial hardship, domestic violence and family break-ups as a result of the protracted dispute. Additionally, with some of the replacement workers hailing from the aboriginal population, tensions within these tightly-knit communities have escalated.

With negotiations stalemated and an arbitrator unable to arrange a settlement, Newfoundland Premier Danny Williams ordered an Industrial Inquiry last October to “maintain and secure industrial peace” and safeguard “the economic stability of the region.” Over the course of his premiership, which ended last month, Williams positioned himself as the champion of aspiring regional capital, occasionally locking horns with the federal government and manufacturing interests in central Canada in order to promote the exploitation of oil, ore and hydro-electric resources under his jurisdiction. Both the union and the company welcomed Williams’ intervention in the strike, each anticipating a ruling favourable to them.

The report handed down last week by Inquiry Chairman John Roil was—in the manner of most governmental commissions of inquiry—judiciously critical of both sides. “The behaviour of both of these parties has, in the commission’s view, contributed to an unhealthy negotiating environment where collective bargaining deteriorates and trust evaporates,” said the report. While the commission found that “the employer has an approach that does not contemplate compromise on any basis that might be acceptable to the union,” it also excoriated the union for using the Voisey’s Bay workers as pawns, placing “the collective interests of the union as a national or international organization above those of the local bargaining unit.” This was a right wing attack on the USW and the workers for not ceding to the company’s demand for a different expiration date from those of Vale’s Ontario workers.

Nonetheless, the commission hoped that since the union had withdrawn most of its earlier bargaining positions and agreed to the contractual framework demanded by Vale for cuts in bonuses and benefits as well as more onerous working conditions, its recommendations could form the template for a negotiated settlement. USW officials immediately moved to endorse the report. “We’re going to recommend that our membership vote on it and hopefully that will make it an easier decision for the government to do something about it,” said Boyd Bussey, the union’s international representative. Meanwhile, a Vale spokesperson objected to the proposed four year term for the new contract on the grounds that this would allow the union to manipulate bargaining timetables so the 2015 expiration of the deals at Vale’s Ontario operations would closely coincide with that at Voisey’s Bay.