Top Vale executive threatens 2,450 striking miners in northern Ontario

Carl Bronski
25 June 2021

Around 2,450 miners at Vale's giant ore mining and processing complex in Sudbury, Ontario are approaching the one-month mark in their strike battle against the Brazil-based multinational's sweeping concessions demands. The Sudbury miners, who have a long tradition of militant class battles, are waging a war on two fronts, against the rapacious demands of Vale and its multi-millionaire shareholders, and against the United Steelworkers (USW) trade union, which is starving workers on the picket line with poverty-level strike pay and deliberately isolating the strike.

The workers, members of USW Local 6500, have twice voted down miserable contract offers from the company. The first was in the form of a tentative contract settlement that was unanimously recommended by the union's bargaining committee but roundly rejected by rank-and-file workers. The USW bureaucracy, exposed by its initial offer and sensing the anger amongst the membership, then abruptly changed tack and called for rejection of virtually the same deal in the second vote, held 10 days into the strike.

Vale management has made clear that its goal is a massive reduction in labour costs so as to make its Sudbury nickel, copper, cobalt and precious metal mining operation globally "competitive." At a Vale virtual town hall held last week, Dino Otranto, chief operating officer for the Brazilian transnational's North Atlantic operations and Asian refineries, arrogantly informed workers that the company's Sudbury operations "occupy the highest cost position of any mines on the planet."

Vale is a globally operating corporation with assets "everywhere," he continued. He then sought to blackmail the striking miners, boasting that Vale has the means to weather a long strike, so as to extort concessions from its Sudbury workforce. Vale's Sudbury operations, Otranto claimed, account for just 2 percent of its revenue.

The Vale boss also said that its other Canadian nickel mining operations, in Thompson, Manitoba and Voisey's Bay, Labrador, are less expensive to operate. In addition, its competitors' operations in less developed countries as well as in Canada, such as cross-town rival Glencore (formerly Falconbridge/Xstrata) have costs per tonnage for ore mined vastly below Vale Sudbury's costs.

"Ultimately, it's about costs per tonne," said Otranto, who complained that Vale's Sudbury operations are on the "wrong side of the cost curve." He added, "Banks look at this," referring to Vale's efforts to find investment capital for the Sudbury operations.

While Otranto and Vale management plead broke, the reality is the company is sitting atop a mountain of cash. In 2020, Vale generated revenue of $US40 billion worldwide, with almost $5 billion in net profit. Its market value comes in at $US111 billion. Most of the world's highest grade deposits of nickel are mined just outside the northern Ontario city, along with other metals. Already, the company has signed "significant, multi-year contracts" to supply high-grade nickel to the electric vehicle market. At the same time, copper prices are the highest in several decades and are expected to continue climbing.

But management is determined to ensure that profits from these operations, extracted out of the labor of its workforce, is funneled into skyrocketing shareholder payouts and executive salaries and bonuses.

Throughout his presentation, Otranto lectured workers like they were greedy-eyed, uneducated schoolchildren who don't understand the clear arithmetic placed before them. If they truly understood the so-called predicament of the poor Vale shareholders, they would surely appreciate how surrendering "out of control" health care and pension benefits just made sense.

The "liability" for medical benefits is just the tip of the iceberg, according to Otranto. Workers must be prepared for even deeper sacrifices. Surrendering retiree medical benefits "is an important (concession) but it's not going to get us anywhere near what we need to be doing," said the COO. He insisted that increased scrutiny of labour costs, pace of work and automation, and maintenance will be required.

In the current round of bargaining, Vale is demanding Sudbury workers accept the end to retiree medical benefits for new-hires and tiny wage increases for all—well below inflation and so effectively a wage cut. As the result of the defeat of a year-long strike in 2009–2010, which the USW isolated and strangled even as the company mounted a major scabbing operation, the Sudbury miners have already been forced to accept massive concessions.

These include the ending of defined-benefit pensions for new-

© World Socialist Web Site

hires, the contracting-out of more jobs to lower-wage, non-union suppliers, and a strict cap on the popular nickel bonus, which rewarded workers with additional pay when ore prices rose above a specified level. Since the year-long strike a decade ago, 800 jobs have been eliminated in Sudbury.

Otranto's rant is a declaration of war against what remains of the gains won by Sudbury miners over several generations of bitter struggle. However, Vale feels able to make such outrageous demands in public due to the criminal role being played by the USW bureaucracy, which acts as Vale management's junior partner and is determined to sabotage the strike.

Before workers took to the picket lines, USW negotiators were convinced they could ram through a rotten agreement concocted with Vale, which was why they recommended the concessions-filled deal that was decisively rejected by a 70 percent majority. However, the union succeeded in imposing the deal at Vale's Port Colborne operations, leaving the Sudbury miners to fight alone. Although the union possesses hundreds of millions of dollars in assets, it is starving the strikers on a meagre $CA370 (about $US300) in strike pay per week.

The USW claims to have over 1 million active and retired members in Canada and the United States. Yet it has done precisely nothing to mobilize its members, or workers in other industries who confront the same attacks on their wages, benefits and working conditions, in support of the strike.

Last year, the union accepted a "no gain" one-year extension to the previous contract to ensure production was not interrupted during the COVID-19 pandemic. The USW collaborated closely with management to ensure that outbreaks, which regularly occurred in the mines, were kept under wraps.

One striking worker told the *World Socialist Web Site* about his own experience of working through an outbreak. "Someone got sick, the men knew about it, the worker health and safety rep knew of an outbreak, he tried to communicate with the management so they could declare it and get assistance… I personally think it was about the stats and the public eye to keep it hush-hush.

"So they didn't declare the outbreak until the ministry was called in. The ministry said they couldn't do anything. And a couple of days after, it comes out that there was an outbreak at Coleman mine. So there were outbreaks at Coleman, Totten, Creighton. And the members, we don't even know. They don't tell us anything, we don't know if there's an outbreak, if there's a case here or there, we gotta just wait until someone comes up to you and says, 'You gotta self-isolate for two weeks.'"

This is not limited to the USW, but is common to all of the unions. At Sudbury's Glencore operation, where Unifor presides, the union has worked with management to aid and abet cuts to wages and benefits. As the then-national representative for Unifor's mining arm, Richard Paquin, infamously declared after pushing through a series of concessions deals, "You can't agree on everything, but we've been able to amend it and carry on and do what we do best—make money for the company." After years of service to the Mine Mill/Unifor bureaucracy, Paquin recently took his rightful place in corporate Canada as a board member at the Mining Industry Human Resources Council.

Conditions are ripe for Vale workers to mount a counteroffensive. Around the world, there is a growth in class struggle, with strikes erupting against speed-up, years of concessions and the ruling elite's prioritizing of profits over lives during the COVID-19 pandemic.

What is required is for Vale strikers to make a conscious turn to their class brothers and sisters across Canada and internationally, including striking miners in Colombia, Peru and Chile, the more than 1,100 coal miners on strike in Alabama, Volvo Trucks workers in Virginia, and autoworkers in India. They should also reach out to Vale workers in Brazil and Latin America, Europe and southeast Asia to wage a unified international fight against attacks on wages, benefits and working conditions, and for decent-paying, secure jobs for all.

To take up such a struggle, Vale strikers must form their own rank-and-file strike committee capable of acting independently of the USW bureaucracy. This committee should advance a series of demands that start from what the striking workers and their families actually need, not what Vale's multimillionaire corporate executives claim they can afford. These demands should include full health care benefits for all, including retirees, a 25 percent wage increase to make up for concessions, and a defined benefit pension plan for all workers.

An example to be followed has been set by the striking Volvo Trucks workers in Virginia, who established the Volvo Workers Rank-and-File Committee to lead their fight against the company's concessions demands and its junior partners in the United Auto Workers. The VWRFC led the rejection of two pro-company concessions-filled contracts backed by the UAW and is now endeavouring to break the isolation of the Volvo strike by building solidarity committees among workers across North America.

To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact

© World Socialist Web Site