

# Why is the United Steelworkers providing Vale strikers only poverty-level strike pay?

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July 1 marked one month since 2,450 workers at Vale's Sudbury, Ontario mining and processing complex went on strike.

Workers have thus far rejected two concessions-filled contract offers. The first of these was unanimously recommended to them by the United Steelworkers (USW) Local 6500 bargaining committee. The most recent was voted down 10 days into the strike, with a decisive 87 percent of workers voting to reject in a ballot in which 84 percent of the strikers participated. Recognizing the anger and militancy among the workers, the USW felt compelled to call for Vale's second offer to be rejected, even though it had advised acceptance of essentially the same terms less than two weeks earlier.

Last Saturday the *World Socialist Web Site* reported on the attempt of Vale's North Atlantic Chief Operating Officer Dino Otranto to bully and threaten the Sudbury workers into making sweeping contract concessions. Otranto arrogantly asserted that the Sudbury operations have the highest labour costs in Vale's global empire and declared that a refusal to accept the givebacks demanded by the company would lead to a drying up of investment. "It's all about cost per ton," he lectured the workers in a company "town hall."

Even as he depicted Vale as financially hard-pressed, Otranto boasted that Vale's huge global assets will enable the company to endure a long strike in order to wear down the Sudbury workers and extort concessions from them.

If the company is bold enough to make such a brazen attempt to intimidate and blackmail the striking miners, it is because it knows full well that the USW is on its side. If the union gets its way, striking Vale workers will be isolated on the picket lines with starvation strike pay, as they were in the 2009-10 strike, then forced to accept many of the same concessions they have bravely twice rejected.

## Poverty-level strike pay

The USW is paying Vale strikers the measly sum of \$370 per week (about US\$300) to workers earning the company's base wage. This poverty-level allowance is pitiable and amounts to even less than they would earn under unemployment insurance (EI) benefits or the federal government's makeshift pandemic

Canada Emergency Response Benefit (CERB).

"It's maybe 30 percent of our wage. It's not even the same as EI; it's lower than EI," one striking worker told the *World Socialist Web Site*. For a miner on the base wage, EI would equate to \$520 per week.

Before rent or mortgage payments are even taken into account, the average cost of living for a family of four in Sudbury is \$3,969 per month, or \$1,127 for a single person, according to the world's largest cost-of-living database. The average rental price of a one-bedroom apartment in Sudbury is \$1,225 per month.

The strikers and their families are receiving poverty rations from an organization that routinely boasts that it is the largest private-sector union in North America. With more than 225,000 members in Canada and over 850,000 dues-paying members continent-wide, the USW has more than enough financial resources to provide a decent standard of living for the strikers. However, the reality is that the USW, like the United Auto Workers, Unifor and the other state-recognized pro-capitalist trade union apparatuses, is not an organization devoted to serving the interests of the workers it purports to represent.

Over the past four decades, the USW has abandoned any association it once had with workers' struggles to secure limited improvements in their working conditions, transformed itself into a junior partner of management and connived in the restructuring of mining, steel and other basic industries at the expense of workers' jobs and wages. To facilitate this process, it has promoted Canadian and American nationalism, pitting workers against each other and demobilizing them against the onslaught waged by globally mobile corporations like Vale.

This pro-corporate syndicate, which is a union in name only, exists not to defend the interests of workers but rather to meet the demands of its six-figure-salaried officials. These demands include maintaining cooperative working relations with Vale executives, protecting the USW's investment portfolios and demonstrating to the federal government that the USW is a reliable partner in enforcing the dictates of Canadian big business.

The USW's overall assets have risen more than 600 percent since the year 2000 and now sit at over \$1.5 billion. From these astonishingly deep pockets, only \$19 million was drawn out to spend on strike benefits in the entire year of 2020. This tiny fraction equates to only 2.4 percent of the USW's net assets.

Meanwhile, the union's top brass, who hobnob regularly with government ministers and corporate executives, gorge themselves

on obscene salaries paid for by workers' hard-earned cash. According to LM forms filed with the US Office of Labour-Management Standards, the combined total of USW President Thomas M. Conway's gross salary, benefits and other compensation amounts to a whopping \$210,395 per year. Vice President David McCall's annual income surpasses even Conway's, with his total compensation reportedly being \$217,762.

The USW's National Director for Canada Kenneth Neumann receives \$212,629 annually; Vice President Fredrick Redmond follows suit with a yearly sum of \$212,489. The list goes on, with hundreds of lesser-known union functionaries earning generous six-figure sums each year.

Furthermore, as the WSWs has reported, the bulk of the union's assets are invested in the stock market. This means that the USW has a direct material incentive in suppressing strikes and wage increases in order to keep profits strong and stocks rising. The meagre \$19 million paid to striking workers in 2020 constituted less than a quarter of what the union earned from its stock trades and securities.

### USW isolates strikers

In addition to weakening workers' ability to resist the company's concession demands by providing them poverty-level strike pay, the USW is working consciously to demobilize and isolate the striking Vale miners.

The USW's website boasts: "Our members work in nearly every industry and in every job imaginable, in all regions of the country. We work in call centres and credit unions, mines and manufacturing plants, offices and oil refineries, restaurants and rubber plants, sawmills and steel mills and security companies. We work in nursing homes, legal clinics, social agencies and universities."

A genuine workers' organization would mobilize this vast social power to support the Vale strikers. Solidarity action to draw attention to the struggle would be called across all economic sectors, where similar attacks on workers' conditions are being imposed. Appeals would be made to other Vale workers in Canada, including those employed at its nickel mining operations in Voisey's Bay, Labrador and Thompson, Manitoba and around the world to stop production to bring the company to its knees.

But the USW has taken no measures to prepare solidarity action by other USW members, let alone other sections of workers. On the contrary, it has even contrived to separate striking Vale workers in Sudbury from their co-workers in Port Colborne, Ontario. With its recommendation to adopt Vale's initial offer, the USW prevailed on the Port Colborne workers to vote in favour, resulting in the work stoppage being isolated to Sudbury from the outset. This outrageous betrayal makes the USW complicit in imposing a contract on the Port Colborne workers that removes retiree health benefits for all new hires. As part of the relentless stripping of benefits from the second-tier workforce, it also eliminated new hires' eligibility for all insurances and hospital

service coverage. Vale can now use this as a battering ram to compel the Sudbury workers to accept no less ruthless givebacks.

As the strike continues into its second month, the USW will continue to isolate the Sudbury workers on starvation strike pay. They will also continue to sit on their hands, effectively inviting Vale to run a massive scabbing operation similar to that it carried out during their bitter yearlong 2009-10 strike.

The union has given workers strict orders from the outset of the strike not to stop scabs or anyone else from entering Vale facilities. "Right off the bat, straight from the hall—this is from the president and vice president," a Vale striker told the *World Socialist Web Site*. "The message was 'information lines only.' No picket lines, we're not there to stop people from getting in, and we don't want an injunction. ... If people do cross, we inform them, we tell them, and that's it. Go on their way."

Miserly strike pay, continued isolation and totally ineffectual picket lines—workers must carefully consider the implications of this record. The USW is a wealthy and powerful organization, with enormous resources lying untapped at its fingertips that could and by all rights should be utilized to strengthen the strike action and ensure that workers' demands are met.

The conclusions of this are unmistakable: The USW serves to sabotage the strike and act in criminal complicity with Vale. Workers cannot realize their entirely justified demands for wage increases and better working conditions while under the control of this pro-company police force.

Workers in Sudbury must establish a rank-and-file strike committee independent of the USW in order to wage a genuine struggle against Vale. To lay the basis for a serious fight, this committee should demand that the USW provide strikers with full pay from its multimillion-dollar resources throughout the strike. The committee should also formulate demands that start from what the workers actually need, not what Vale executives and their USW lackeys claim is "affordable."

This should include a 25 percent wage increase to make up for all the concessions-filled contracts over recent years, an end to the multitier workforce, full health care coverage for all paid for by Vale and defined benefit pension plans for all workers.

To enforce these demands, the strike must be broadened. The rank-and-file strike committee should issue an appeal to Vale workers in Brazil, Indonesia and elsewhere, miners across North America, such as the striking Warrior Met coal miners in Alabama, and workers in all economic sectors to join them in a working class counteroffensive for decent-paying, secure jobs for all. To unify these struggles, Vale workers and their class brothers and sisters should support the construction of the International Workers Alliance of Rank-and-File Committees.



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