USW pushes through deal to end 64-day strike of Vale miners in Sudbury, Ontario

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The United Steelworkers (USW) has brought an abrupt end to the two-month strike by 2,400 mine, mill and smelter workers at Vale's nickel, copper, cobalt, and precious mining complex in Sudbury, Ontario. In what can only be described as a bureaucratic farce, the union rammed through ratification of a new five-year contract Tuesday, with less than 24 hours between its announcing a tentative settlement and the conclusion of voting.

The strike erupted June 1 after the Vale workers rebelled against a concessions-filled tentative agreement unanimously endorsed by the USW Local 6500 leadership. Workers were outraged that the union could endorse such a pro-company proposal at a time when the profits of the Brazilian-based transnational are soaring, and with new battery technologies requiring large quantities of high-grade Sudbury nickel.

In pressing for ratification at hastily organized "information meetings" Tuesday, USW officials claimed to have secured "significant monetary gains" and boasted Vale had dropped its concession demands. The proposed contract was not made available to the strikers, only USW bargaining committee–selected highlights.

According to the Steelworkers, the rank-and-file voted 85 to 15 percent in favour of the agreement. Given the circumstances, this was far from a ringing endorsement. For the previous two months, workers had been surviving on poverty-level strike pay of C$375 per week. Moreover, with the USW not lifting a finger to broaden the struggle, many workers feared Vale might opt for a protracted battle similar to the year-long 2009–2010 strike.

The wage settlement in the newly ratified agreement is only slightly better than the meager 4 percent over five years stipulated in the original Vale–USW tentative contract. Workers are to receive raises totalling 6 percent, with increases of 1.5 percent in the first and fifth years, and 1 percent-per-annum pay rises in the second, third and fourth years. There is also a limited cost-of-living adjustment clause that the union says will pay out a minimum of C$2.46 per hour by the end of year five. However, when inflation, currently now running at an annual rate of over 3 percent, is fully factored in, the Vale workers will suffer a real-terms pay cut over the life of the agreement.

There was no change from the pre-strike offer of a C$3,500 signing bonus and a special C$2,500 pandemic payment. Not only has the USW worked with Vale to keep its operations working at full tilt throughout the pandemic, last year it agreed to a special one-year "pandemic contract" that restricted workers' wage and benefit increases for a further 12 months. On Tuesday, the union dangled the prospect of workers receiving the C$6,000 (before tax) in bonuses by the end of September to bribe them into backing the agreement.

With the USW's complicity, Vale sought to impose a series of concessions, as part of the relentless stripping of benefits and rights from its ever-expanding second-tier workforce. These included the removal of retiree health benefits for new hires and post-retirement eligibility for all insurances and hospital service coverage. The company was also seeking to abolish workers' over-the-counter pharmaceutical coverage.

The strikers' determination to prevent a further expansion of the two-tier system brutally imposed on new hires after the defeat of the 2009–2010 strike took both the company and union by surprise. Ultimately, Vale dropped its demands for further concessions, based on the business calculation that it could reap larger profits by resuming production, so as to cash in on the current boom in commodity prices and the "multi-year contracts" it recently signed to supply high-grade nickel to the electric vehicle market; and so as to provide its USW "partners" with a much-needed fig leaf.

All of this, however, is within the framework of the huge, indeed historically unprecedented, concessions that

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Vale was able to impose after the 2009–2010 strike—a class battle in which it prevailed because the Steelworkers refused to mobilize the working class against a massive, state-supported scabbing operation. These concessions include the multi-tier wage system, the expansion of low-wage contract labour, the introduction of a two-tier pension system, and the reduction of the nickel bonus paid to workers when the price of nickel rises above a certain level.

In announcing Tuesday's contract ratification, the USW Local 6500 leadership cynically declared, "[W]e could not have reached this settlement without your incredible support and the principled stand you took through this difficult process." This is rich coming from the same USW bureaucrats who unanimously recommended the first concessions-laden contract proposed by Vale in May.

To the extent that Vale's concession demands were rebuffed, this was not because workers lended "support" to the USW bureaucrats. Rather it was only because miners defied the union's unanimous recommendation and voted down the first tentative contract agreement by a 70 percent majority.

The USW did, however, succeed in pushing through a similar concessionary deal at Vale's Port Colborne facility, further weakening the Sudbury workers' position. Undoubtedly, the concessions imposed at Port Colborne, including the attacks on retiree health care and drug coverage, will be cited in future bargaining to demand further rollbacks in Sudbury.

Throughout the strike, the Local 6500 leadership continued to defend its endorsement of the initial concessions-filled deal, with brazen lies that it was forced to recommend it to the membership by non-existent labour laws.

In reality, the union bureaucracy's readiness to act as enforcer of the company's contract demands drew back the curtain on the unsavoury corporatist ties between Vale and the USW, and the union and big business as a whole. This is a relationship that has developed over the past four decades, during which the USW has forced through round after round of job losses and wage, pension and benefit cuts throughout the steel, aluminum, and mining industries in Canada and the United States.

The Steelworkers' union did all it could to keep the Vale strikers isolated from other sections of the working class, including members of the same union engaged in similar struggles. Two weeks ago, the USW shut down a strike by more than 1,100 Allegheny Technologies workers in six US states by imposing a sellout contract that will mean the loss of hundreds of jobs.

Following passage of the contract, Dino Otranto, chief operating officer for Vale's North Atlantic operations and Asian refineries, enthused that Vale management and the USW had reached "common ground" and called for increased union-management collaboration to "make this business successful for us all."

Otranto has already spelled out what this will mean. The union must assist the company in imposing a massive reduction in labour costs so as to make its Sudbury operation globally "competitive." At a Vale virtual town hall held this past June, the Vale boss threateningly told workers that the company's Sudbury operations "occupy the highest cost position of any mines on the planet." This could not continue. Cuts and "efficiencies" were an inevitability, according to Otranto. He insisted that increased scrutiny of labour costs, pace of work and automation to reduce the workforce further will be aggressively pursued by management as it develops its long-term strategy.

While the USW bureaucrats and Vale management no doubt have plenty they can agree on, Otranto's remarks underline the fact that Vale workers confront a war on two fronts. On the one hand, they face Vale's endless demands for concessions and cuts, and on the other the USW's complicity in imposing them. The USW and unions in every country are increasingly seen by workers for what they really are: corrupt, pro-capitalist and nationalist apparatuses that collaborate with management to impose its socially retrogressive demands.

Workers internationally have begun to draw the lessons of decades of wage and benefit reductions, speed-up and job losses. In a series of struggles in Canada and the United States, workers have rebelled against the unions' attempts to enforce concessions. Rank-and-file committees, independent from the union apparatus, have been formed by teachers, in auto assembly and parts plants and in the warehouses of logistics companies. This must be the next step for Canadian miners and steelworkers as they prepare to face the company–union attacks already being hatched in the corporate boardrooms.

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