

# Workers' Rights: Strike at World's Largest Nickel Mine

International solidarity organizes against Vale Inco

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In France's south Pacific colony of New Caledonia, a small delegation of Vale Inco strikers from Sudbury, in Northeastern Ontario, most of them Franco-Ontarians, met in October with the union at the island's Vale Inco nickel mine, due to open in 2010 although it threatens a UNESCO nature reserve. The newspaper *Nouvelles calédoniennes* reported the encounter, in its October 31 edition:

"In the face of the global economy, the labour movement is looking to internationalize. In Canada, 3,500 workers at Vale Inco are currently on strike. Their union, the United Steelworkers, has launched a crusade to visit every Vale Inco site on the planet, for the purpose of forging alliances. In New Caledonia, union representatives met with the unions that represent the workers at the plant located in the south. ...

For the past three and a half months, ...workers at Vale Inco in Canada have been engaged in a test of strength with the Brazilian multinational that absorbed Inco, the Canadian nickel giant which initiated the Goro Nickel project in Caledonia. ...

They are accusing the Vale group of taking advantage of the global crisis and lower profits to make underhanded cuts in employees' wages, pension plans and social assistance programs. They are also organizing visits to all of Vale Inco's sites in Brazil, Indonesia, Australia and New Caledonia, to create a sort of worldwide alliance between the various unions that represent the multinational corporation's employees."[1]

The strike at Vale Inco began in mid-July at Sudbury, a city of 150,000 inhabitants, one third of them Francophone. In early August the strike was joined by workers at the Vale Inco refinery in Port Colborne, on Lake Erie, and the mine at Voisey's Bay in Labrador. Vale is engaged in a frenzied competition with BHP-Billiton, an Australian-British company and the world's largest, Rio Tinto, the third largest, and other mining giants in a process of concentration and centralization of the international mining industry. They are seeking to profit from the exponential rise in metal prices in recent years as a result of the explosive growth in demand in the emerging economies, and to strengthen their position with the major purchasers, above all the Chinese government and the big new producers in those countries.

Vale, too big to be defeated in a single country

In a push for diversification, Vale, a leading iron ore producer, purchased the Canadian nickel transnational Inco two years ago. The current economic crisis suddenly forced down

raw materials prices, particularly for nickel. Vale, which had earlier settled for contract improvements with its employees in Thompson, Manitoba, is now demanding that its other workers agree to a three-year wage freeze, a defined contributions pension plan for new hires (the current plan is defined benefits), a major reduction in the annual production bonus (which has averaged 25% of the base wage), now to be pegged to the firm's profitability, and a weaker wage indexation clause.

But unlike its major rivals, who have experienced liquidity problems resulting in major layoffs – Rio Tinto-Alcan in Quebec, for example – Vale has remained quite profitable despite the collapse in prices and has not carried out massive layoffs, although it did dismiss a few hundred Inco employees after buying this company. In Brazil itself, it plans to increase its workforce by 12% in 2010 following major investments demanded by the Brazilian government; the state-owned banks are significant financiers of Vale. In Brazil, as in New Caledonia, wages are lower, and perhaps the environmental constraints as well.

In 2008 Vale made a profit of US\$13.2-billion. Its subsidiary Vale Inco made more profits in two years (2006-2008) than Inco did in ten (1996-2006): US\$4.1-billion. In the third quarter of 2009, together with the new rise in nickel and iron ore prices, its profit doubled from the previous quarter although it was only a third of what it was in the same period in 2008. The company was so proud of this result that its directors had planned to go to the New York and London stock exchanges for media events in late October. Unfortunately for them, they had to cancel when small delegations of strikers came to disrupt the events with the help of local union members linked with the International Trade Union Confederation (ITUC) – about twenty strikers in New York supported by U.S. steelworkers but also some teachers.

Vale was so optimistic at that point that it announced it would be distributing \$2.75-billion in dividends in 2009 – more than the cost of the wages and benefits of its 100,000 plus employees in 35 countries worldwide. But the strike has been relatively effective. Nickel production in the third quarter of 2009 is down by 45% from the second quarter and by 55% from the equivalent quarter in 2008, not to mention the direct cost of \$200-million for the strike. However, the new rise in nickel prices has somewhat offset the lower volume, and the production of nickel (and copper, which Vale Inco extracts concurrently) is a marginal component of the transnational's overall operations, while it was central for the old Inco.

Vale profits from the severity of the crisis in Ontario

Since its privatization in 1997 – it was a state-owned corporation in Brazil, founded during the Second World War – Vale has been systematically fighting its workers. In Brazil, its employees have no job security; the company dismisses them without cause and fires most once they have three to five years seniority in order to hire at a lower wage, which explains why the majority are on fixed-term contracts. In the current strike in Canada, Vale has hired strikebreakers and required its other workers to do the work of the strikers. The New Democratic Party (NDP) sought unsuccessfully in the Ontario legislature, with the applause of strikers in the visitors' gallery, who were expelled, to present anti-scab legislation like that in Quebec. The NDP, a social-liberal party linked to the trade-union movement, is the most left-wing party in the Ontario legislature. It divides the northern and northeastern seats, which are very blue-collar, especially outside the few major urban areas, with the governing Liberals, although it has only 10 out of the province's 107 MPPs.

The relative isolation of the strikers from the major metropolitan centers in the south of the

province has not facilitated efforts to build solidarity. However, it is worth noting the solidarity of other Steelworkers locals and the Ontario branch of the Canadian Union of Public Employees (CUPE), known for its vanguard role in the boycott, divestment and sanctions campaign in support of Palestine, and for its municipal worker locals in Toronto and Windsor, which waged hard-fought strikes this summer to fend off concessions demanded by the municipal authorities including the so-called progressive city council in Toronto. These politicians sought to benefit from the crisis in the automobile, steel and financial industries that has hit hard at the Ontario economy, which accounts for 40% of the Canadian GNP. It is no accident that the conflict at Vale Inco began this summer while these major strikes were taking place.

Nevertheless, this solidarity consists at best in visits by a few leaders, sometimes with cheques in support, and the mobilization of limited pockets of militants when strikers visit Toronto, for example to agitate at Queen's Park, the site of the Ontario legislature, or to respond to the invitation of the iconoclastic film director Michael Moore when he was in [Toronto for the premiere](#) of *Capitalism, a love story*. Until quite recently the international mobilization has remained quite modest: letters of support from unions in less than a dozen countries and tours in Germany and Sweden accompanied by international leaders to convince certain companies not to import nickel ore from Vale. Even the big rally in late September with international guests, including the president of the CUT, the major Brazilian trade-union central, drew only 3,000 persons, slightly less than the total number of strikers in Sudbury.

#### A possible turning-point in October

It appears, however, that things took a turn for the better in October. The women's strike support committee, which played such an important role in the very militant nine-month strike in 1978-79, was re-established with the help of former activists. Working with the recently constituted support committee, it will be organizing a series of family activities in November. The Ukrainian community in the region has also become involved. The spirit of 1978-79 could be regained. There appear to be some changes as well in terms of international solidarity. In addition to the trip to New York, a small delegation has returned from Australia, where Vale purchased several coal mines in 2007, and New Caledonia, where Vale Inco will soon open a new nickel mine. Dozens of Australian miners expressed their sympathy with the delegation, as did their leaders. But their contract terminates only in 2011.

In New Caledonia, there was remarkable media coverage and a warm reception from the Kanak elected representatives. The Kanaks are the first nation in this French colony, although they now make up only 45% of the total population. Did the Kanaks sense they had a lot in common with the Franco-Ontarians in the delegation – two nationalities suffering oppression of their language, their economic conditions and their lack of territorial autonomy? Oddly enough, the Steelworkers web site devoted to this conflict, from which most of the information in this article is derived, is bilingual – in English and Brazilian Portuguese. And the publication materials are English-only. But the Sudbury region itself is strongly Francophone, and is not far from the Quebec border. Will this uniform and formal unity strengthen the capacity for mass mobilization? Is this the best way to build a pan-Canadian movement? Internationalism, to be effective, must begin at home.

It is in Brazil, Vale's economic base by far, where the situation is most promising. The miners in the company's largest Brazilian mine, and two other mines, staged a two-day

strike, October 26-27, around their own demands. A few days later, at two other mines affiliated with the smallest union central, Conlutas, which is known for its militancy, the bargaining committee symbolically invited the woman representing the Canadian steelworkers to be part of their bargaining team, to the anger of the employer's negotiators who threatened to break off the talks. And 700 workers in these two mines signed a letter to the company calling on it to settle the strike in Canada, where negotiations have not resumed since the strike began. In a release issued November 4, the union's leaders said:

"Vale fears more than just the possibility of victory in the strike by Canadian brothers and sisters, a possibility strengthened by this gesture of solidarity. It also fears the growing international unity which is being built among Vale workers and also people in communities around the world where Vale's profits have resulted in environmental disasters, degradation of the natural environment and community disintegration."

#### Internationalist optimism and bureaucratic contradiction

This optimism is justified. But so far the development of international links has been primarily at the initiative of the union bureaucracies. Their willingness to develop an internationalist response should not be under-estimated. They have been caught off guard by this strike and the membership's willingness to take on a powerful transnational corporation capable of holding out through even a militant strike as long as the workers are isolated. They realize that the usual bureaucratic methods of bargaining supported by a national strike limited to picketing and controlled from above will inevitably result in some setbacks. When the union ranks hesitate to fight back in the face of a difficult objective situation, as in the automobile industry, the leaderships can force through some concessions. But there may be a high price to pay in terms of credibility once the threshold of an unlimited strike has been crossed. To defeat Vale, there must be a certain degree of international coordination in strikes, except perhaps in Brazil, where a national inter-union coordination might suffice.

The need for the union bureaucracy to mobilize the ranks to some degree, or to let them mobilize themselves without too many impediments, opens the door to self-organization. Has the women's committee given the cue? The need to develop international links and an openness toward working-class internationalism, particularly with the Brazilian unions, forces the bureaucrats to restrain any temptation to engage in the kind of chauvinist language characteristic of a small imperialist power that we hear so often in Canada – "defending our middle-class, anti-ecology status" while allowing Vale to chip away at the wage scales and working conditions of its employees elsewhere.

The Steelworkers are styled an "international" union, although they have locals only in the USA and Canada. So when the "international" president of the union called for nationalization of Vale at the big strike support rally in late September, to the standing ovation of the strikers, there was a note of ambiguity. If nationalization means a takeover by the capitalist state in order to escape Brazilian living conditions, that is a setback for internationalism – and an economic illusion, for the nickel market is worldwide. A state corporation would do as Vale does. However, nationalization can signify the first step in the takeover by the workers collectively, as the Zanon workers took over their plant in Argentina.[2] The self-managed collective would confront the state with the need to provide financing, technical assistance and guarantees of international markets, if not conversion of the company and retraining of the workers. It would make the undertaking an integral part of the community, and in the case of a firm that is intrinsically an exporter, would also link

with the workers in client and competitor firms abroad in support of their demands and their struggles, within a perspective of collaboration for joint marketing in the context of a levelling upward of living conditions. It would be a first step toward internationalist self-management.

Irrespective of whether it goes forward or is worn down, this strike against Vale gives some idea of what the strike movement will be like in the 21st century. Global strikes against transnational corporations will be an essential pillar of internationalism. They are just beginning. •

Marc Bonhomme is an economist and member of [Québec solidaire](#). Translated from the original French by Richard Fidler.

#### Footnotes

1. [www.fairdealnow.ca/?cat=17](http://www.fairdealnow.ca/?cat=17). Retranslated from the French.
2. A strike made famous by Naomi Klein and Avi Lewis in their film The Take. For recent coverage of the Zanon struggle, see "[Zanon workers win major legal battle](#)"

#### Resources

- The web site of the Vale Inco families and community members may be accessed at [www.fairdealnow.ca](http://www.fairdealnow.ca)
- Bullet #253: [Down in the Vale](#), by Petra Veltri

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