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Nickel Miners in Ontario Vote to End Strike

By IAN AUSTEN

OTTAWA — Workers at a large nickel mining and processing plant in Sudbury, Ontario, accepted a new five-year contract on Thursday night, ending a strike that had lasted 51 weeks.

About 75 percent of the workers voted in favor of the contract, a show of support that disguised the widespread antipathy of many members of the United Steelworkers toward the plant owner, Vale, the Brazilian mining company.

Both the strike and the resulting contract have raised questions about foreign ownership of natural resources in Canada as well as the country's labor movement.

"With multinationals from emerging economies we see a different style of dealing with issues," said Dirk Matten, a professor who studies corporate social responsibility at the Schulich School of Business at York University in Toronto. "There's now a big problem of union legitimacy."

While both sides ultimately moved away from the positions they held when the walkout began on July 13, 2009, John Fera, the president of the steelworkers' local that represents the 3,300 Vale workers, made no attempt to disguise his dismay about the outcome.

"We would have preferred to bring back more," Mr. Fera told reporters after announcing the ratification vote result. “But after 12 months, it’s a very difficult decision to hold out longer.”

He added: “Our membership decided to go on with their lives.”

Until its acquisition by Vale in 2006, the 108-year-old operation in Sudbury, which provides about 10 percent of the world’s nickel supply, was owned by Inco, one of Canada’s largest corporations. Sudbury had a history of sometimes fractious labor relations and has long been something of a power base within the steelworkers union. The union’s international president, Leo W. Gerard, who is based in Washington, joined while he was an Inco employee.

In the past, a strike in Sudbury crippled Inco. But the operation is far less critical to Vale, which is mainly an iron ore producer. Nickel accounts for about 15 percent of its revenue.

In the end, the union yielded on two of the main issues that provoked the walkout. Payments from a profit-sharing plan that was tied to the price of nickel will now be capped at 25 percent of workers’ wages. When nickel prices were at record levels in 2007, workers earning 29.40 Canadian dollars an hour also received bonus payments equal to about 20 Canadian dollars an hour.

The market price that will initiate the bonus will rise to $3.75 a pound, from $2.25 a pound under the new agreement.

Union negotiators managed to maintain, and improve, a pension plan with defined pension benefits for current workers, but new employees will receive only variable benefit pensions.

The contract also includes incremental raises, gives Vale the right to permanently lay off 113 workers and ends the bitter legal challenges often pursued by both sides.

Cory McPhee, a spokesman for Vale in Toronto, said that while the company was “very happy” with the contract, managers were “very sensitive to the fact that we’re going to have to rebuild relationships with employees.”

The steelworkers, and others, have long argued that the Canadian government should have blocked the sale of Inco under its foreign investment laws.

Anil Verma, who heads the center for industrial relations at the University of Toronto's Rotman School of Management, blamed the strike's length on misconceptions held by both parties. Mr. Verma also said that the union must accept that the aging Sudbury operation was in decline and that foreign ownership had diminished labor's power.

"People have to realize that the Sudbury of 2010 is not the Sudbury of 1910," he said.

On Thursday, Mr. Fera glared at a reporter who asked if the prolonged strike had been worthwhile.

"I don't think that's a fair question," he said. "So I'm not going to answer it."