

Westmin, CAW in mine standoff

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Fight drawn out over concessions

BY ROBERT WILLIAMSON
British Columbia Bureau

VANCOUVER — The no-concessions stand of the Canadian Auto Workers union has run smack into Westmin Resources Ltd.'s need for ways to stay competitive in a strike on central Vancouver Island that is dragging into its second year.

The rest of the British Columbia mining industry is watching as Westmin, which locked out employees at its Myra Falls operations on April 24, 1993, tries to scrap a series of contract concessions made to workers over the past 20 years and rein in wages and seniority rights.

Both sides are talking defiance, not compromise. There isn't a single foothold for the province's best mediators.

"Two nos will never get you a yes, and the nos are very strident," said Brian Foley, associate chairman of the B.C. Labour Relations Board.

While talks resumed this week at the company's request, industry sources say only secondary issues are being aired, not the big questions. Barring some unforeseen development, industry observers say the only hope to get the two copper-zinc mines back into full production is for British Columbia's New Democratic Party government to intervene and impose a contract settlement.

With the government now more concerned about stroking voters than aggravating its natural supporters as it plans for an election expected next year, nobody around Victoria is itching to tackle the peace-making chore at Myra Falls.

Westmin, 74 per cent owned by Brascade Resources Inc.,

which in turn is owned by the Edper Bronfman group's **Brascan Ltd.**, says jobs at the mine are some of the highest paid in the country. The average wage was \$65,000 a year, but with overtime, miners have earned close to \$100,000. Mine manager William Diment collected a \$109,000 salary and \$30,000 in benefits during the lockout.

Vancouver-based Westmin has been pleasantly surprised by the discovery of rich ore bodies in recent years that could end up dramatically extending the projected life of the property by up to 20 years.

Nevertheless, the company says the emergence of lower-cost producers in places such as Chile has the industry looking outside British Columbia, and it needs a new deal to stay in the game.

Specifically, it is demanding:

- Wage cuts of up to \$3 an hour. While it is offering a slight increase in wages to miners — taking a top-paid journeyman to \$23.50 an hour in the first year — it wants to reduce the wages of labourers by 15 per cent, to \$17 an hour. The union, on the other hand, has demanded a 5-per-cent wage hike and 25-per-cent improvement in pensions.
- An end to an \$8-a-day "attendance bonus." The \$1-an-hour reward was written into the contract nearly 20 years ago to combat absenteeism.
- An end to a \$13-a-day "housing allowance," a euphemism for a 13-year-old incentive that is supposed to compensate for time spent on the 90-kilometre commute from Campbell River to the mine sites in Strathcona Provincial Park.

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The company claims about 95 per cent of the workers ride on company buses, which it says costs it another \$13 a day for each rider.

- An end to a bonus of three weeks extra vacation every five years, on top of the beginning allotment of three weeks holiday, plus two extra "floater days."

But the biggest sticking point is Westmin's demand for full control over which workers perform what jobs at Myra Falls — the backbone of the company's operations in British Columbia. The goal of its bid for so-called "cultural change" is higher productivity and lower costs.

"We don't want the union to tell us who they will give us to do each job," said Westmin vice-president Bruce McKnight.

"We want to look at the employees we have and say, 'This is the guy we want to do the job based on his ability and performance,' and not be overridden by the union."

To the CAW, that's a direct challenge to the fundamental principles of seniority and job security.

"Westmin was midway into the

dispute when they started to bludgeon us with this cultural change talk," said Peter Smith, national representative for the three B.C. mines with CAW contracts.

"Changes to job security language will be a non-starter."

Privately, Westmin has bluntly told Labour Relations Board officials that it will settle for nothing less than the "lion's share" of its new contract demands.

On the other side of the table, the CAW says it has spent more than \$1-million on payments to support the 360 locked-out workers, who remain defiantly buoyant. With a \$45-million national strike fund, the union warns that it's prepared to wait as long as it takes to preserve its no-concessions principle.

Westmin racked up a loss of \$27-million last year — it's third successive year of double-digit losses. Behind locked gates at Myra Falls, about 80 management staff scratched around doing some rehabilitation work, a little mining and a little milling. Without the main work force, production fell 75 per cent — but the company brags that productivity rose nearly 40 per cent.

The CAW is a relative newcomer to the mining scene, establishing beachheads through mergers with other unions.

The union became known for a no-concessions approach when it broke away from the powerful United Auto Workers of America in the early 1980s. At that time, auto makers were demanding and getting wage rollbacks from American locals. The CAW staked everything on a hard-nosed stand — and won.

Now the largest private sector union in the country, claiming 200,000 members, the CAW has adopted a similar approach in its biggest clash with the mining industry.

The presence of Bob Chernecki, an assistant to CAW president Buzz Hargrove, at the negotiating table fuels the company's belief that the union has a national agenda in its back pocket.

The CAW has just picked up the controversial Giant mine in Yellowknife through a merger with another union and begins bargaining next month with Toronto-based Falconbridge Ltd. It also represents workers at British Columbia's Gibraltar and Similco mines.