Canadian telecommunications giant to slash jobs and wages

A correspondent
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Two subsidiaries of Canadian telecommunications giant BCE, one of Canada's most profitable companies, have begun the new year by unveiling restructuring plans that will adversely affect thousands of workers in Canada and abroad.

Northern Telecom, BCE's telecommunications equipment and technology arm, has announced it will eliminate 8,000 manufacturing jobs over the next three years, through a combination of layoffs, plant closures and plant sales. The job cuts will reduce Northern Telecom's worldwide work force by 10 percent and slash its manufacturing work force of 20,000 by some 40 percent. Company officials say operations at all 24 Northern Telecom manufacturing plants will be affected under the restructuring plan. These job cuts are in addition to the 3,500 announced by Northern Telecom just four months ago.

Meanwhile, Bell Canada, BCE's biggest subsidiary and Canada's largest telephone company, has announced the sale of its operator-assistance service to a new firm that is to be controlled by US-based Excell Global Services, but in which Bell will have a large minority interest. The sale's transparent aim is to allow Bell to escape from the provisions of its collective agreement with its 2,400 operators and impose on them massive wage and benefit cuts and an increased workload.

Excell Global Services CEO Dan Evanoff is making no secret of the scale of wage cut the Excell-Bell joint venture will demand from the operators-upwards of 40 percent. "How many Canadians," asked Evanoff in an interview with the *Montreal Gazette*, "are willing to pay twice what [rival telephone companies] AT&T or Sprint ... charge for directory assistance in order for Bell Canada to pay twice the market rate for operators?"

Whereas Bell pays its operators more than $19 an hour, or about $34,000 per year, and provides a comprehensive package of benefits, the starting wage at Excell's flagship Phoenix call center is the equivalent of little more than $10 Canadian per hour (US$6.75), the average wage some $12 Canadian per hour, with minimal benefits.

Bell has said that all the current Bell operators will be offered new jobs at the new company. But they will likely lose their seniority. Moreover, just to keep their jobs, many of the operators will have to move to another city, because the number of call centers is to be reduced from 55 to just 5.

Bell has defended the attack on the operators' jobs and working conditions by citing increased competition due to the deregulation of the telecommunications industry and shrinking demand for operator assistance. Since 1990 Bell has halved the number of operators, and in the last three years it slashed the number of operators by 1,200, or one-third.

Bell announced the sale of its operator service just days after demanding a wage rollback and other concessions in contract talks with the Communications, Energy and Paperworkers union. Bell has also launched a Supreme Court appeal of a Federal Court decision upholding a pay equity claim by the operators and other of Bell's predominantly female, white-collar staff.

Two years ago a joint CEP-management study found Bell's operator service to be highly profitable, producing earnings of $185 million per year. But Bell now disputes the study's conclusions, saying its methodology was flawed.

Bell's assault on the operators has provoked a public outcry, because it is rightly perceived as typifying the relations between management and labor in the 1990s. Routinely, highly profitable companies impose massive job and wage cuts, claiming that they are necessary to maintain the company's rate of return and ready access to equity markets and shareholders' share values.

Sensing that such developments are causing growing numbers to question the "wisdom of the market," much of the Canadian press has felt the need to defend Bell's actions. "If the rest of the call-center industry," declared the lead editorial in one of Canada's major dailies, "is paying out wages of $12 an hour ... it's hard to justify paying people 40 per cent more.... Bell's operators may be diligent, dedicated, hard-working people, but the market price for the work they perform is falling fast."

In recent days, Bell operators and their supporters have staged various angry protests. Predictably, the CEP leadership is coupling nationalist tub-thumping over the US citizenship of Excell's owners, with appeals to the big business Liberal government to thwart the joint venture, and offers to assist Bell in making its operator division more profitable. Two years ago, the CEP and the Quebec Federation of Labor's Solidarity Fund set up a new company, Entourage Technology, to take over Bell's inside wiring operations. As part of the arrangement, the new union-owned company imposed wage and other concessions on the inside technicians who left Bell to join Entourage.

"Canadians," declared union spokesman Gary Cwitco last week, "want a gentler kind of capitalism than Americans are prepared to accept." Such lauding of an indigenous, purportedly nonpredatory capitalism is the flip side of virulent opposition to any struggle to mobilize the working class as an independent political force against capital and in unison with workers in the US, Mexico and around the world.

The telecommunications industry has been on the cutting edge of the contemporary technological revolution and the global integration of production--developments which have made labor vastly more productive and have the potential to greatly raise the material and cultural level of the mass of the world's population. But under capitalism, this technology is employed to slash wages and jobs and increase the economic insecurity of the majority. Telecommunications workers can defend their jobs and wages only on the basis of an international strategy that challenges such an economic order.