Canada: Lessons of the Vidéotron strike

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After almost a year, the strike at cable distributor Vidéotron, a subsidiary of global publishing giant Quebecor, has ended in bitter defeat for the 2,200 workers involved.

To be sure, Vidéotron has reversed a decision that was at the heart of the conflict—the transfer of 664 technicians to a subcontractor where wages and working conditions are much poorer. But the company abandoned the contracting-out plan only because the strikers, under intense pressure from the Quebec Federation of Labour and the Canadian Union of Public Employees, agreed to a settlement far inferior to Vidéotron's wage- and job-cutting offer of September 2002.

"The sale of the technicians to Entourage would have saved $15 million per year, but the concessions agreed to by the unions have allowed us to obtain more than that," boasted Luc Lavoie, a spokesperson for Quebecor, who served as top aide to former Tory prime minister Brian Mulroney. The company anticipates saving more than $7,000 per year on each of the workers it retains on its payroll.

The settlement provides for the elimination of 248 employees, 120 of them technicians. The workweek for all employees will be extended to 37.5 hours from 35 hours, but the technicians' weekly salaries will remain unchanged. Other Vidéotron workers will work the extra hours for what is in effect half pay. When account is taken of the overtime pay the workers used to receive, this translates into a wage cut of about 17.5 percent for the technicians and 12.7 percent for administrative workers.

Wages will be frozen at the new, reduced rates for three years, although inflation in Canada is currently running at an annual rate of between 3 and 4 percent. In the fourth and fifth years of the contract the workers are to receive annual wage increases of 2.5 percent. The contract also calls for the elimination of two paid holidays per year, a week of sick leave and two weeks of paid vacation.

Finally, Vidéotron has obtained the right to contract-out up to 40 percent of service and installation work, as compared to 15 percent under the old contract, and it will be allowed to contract-out 20 percent of the construction of networks—a measure forbidden under the previous collective agreement.

Despite these drastic concessions, the future of even the highest seniority Vidéotron workers is far from assured. According to a financial analyst cited by the Montreal daily *La Presse*, "Sooner or later, Quebecor will have to take up the task of contracting out all of its installation activities. Competition is going to intensify, and in a mature market as that of cable, one day or another, Vidéotron will have to match its competitors."

The size of this defeat has not prevented Quebec Federation of Labour President Henri Massé from declaring that the Vidéotron stirke will "remain an extraordinary example of what can be accomplished by union solidarity."

The strikers clearly were of a different opinion. The 1,700-member Montreal local only ratified the agreement after a meeting of more than 10 hours. Fearing the agreement might be rejected, union leaders told the workers, a few days before the vote, that their strike pay would soon be reduced.

The conflict at Vidéotron was of significance far beyond the company or even the telecommunications sector, for it exemplified big business's drive to make the working class pay for the collapse of the stock market boom. Numerous key figures in Canada's political and financial establishment publicly rallied behind Quebecor boss Pierre-Karl Péladeau in his war on the Vidéotron workers, including former prime minister and current-day Quebcor executive Brian Mulroney; Bernard Landry, the then Parti Québécois premier of the Québec; Lucien Bouchard, a former Quebec premier; and Henri-Paul Rousseau, the president of the Caisse de dépôt et de placement (the Quebec Pension Fund). As for the courts, they granted Vidéotron injunctions limiting all but token picket lines, thus enabling the company to bring in strikebreakers and continue operating its other subsidiaries undisturbed.

In financing Quebecor's acquisition of Vidéotron for $5.4 billion, the Caisse de dépôt et de placement

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(CDP)—the Quebec government organization created in the early 1960s with the aim of using workers' pensions to promote the expansion of francophone-owned businesses—served notice that the Quebec bourgeoisie was bent on creating a world-class telecommunications giant. No cost was to be spared in supporting Quebecor from blocking Vidéotron falling into the hands of Rogers, a rival Toronto-based cable and media company.

But within months of the Vidéotron purchase, the speculative bubble burst. Although Vidéotron remained profitable, Quebecor and the CDP determined that their rate of return was woefully insufficient given the purchase price and that a massive attacks had to be mounted on the Vidéotron workers' wages and jobs.

The union leadership was more than amenable to Quebecor's plight, offering substantial concessions in the negotiations that preceded the strike. And once the strike began, the QFL and CUPE leaders did everything in their power to limits its impact. QFL members who worked for companies that Vidéotron hired to do work normally done by the strikers were instructed to follow their bosses' orders. Even a consumer boycott was deemed threatening to the declared objective of QFL President Massé to "save this company."

The bureaucracy's principal activity was to encourage workers to pressure the Parti Québécois (PQ) provincial government to intercede with the CDP to appeal to Vidéotron to return to the bargaining table.

Many Vidéotron workers came to recognize that their union leadership was opposed to mounting any genuine struggle. But they remained trapped within the perspective historically promoted by the unions—the perspective of pressuring the capitalists and the big business political parties. Thus some resorted to acts of petty vandalism, and others called for more demonstrations, but none challenged the union bureaucracy's basic perspective: its acceptance of the exigencies of the capitalist market and political support for the big business Parti Québécois.

The Vidéotron strike exposed, once again, the depth of the degeneration of the trade unions. The union officialdom is linked in innumerable ways to Quebecor and to the institutions and political parties of big business in general. Take Massé, the president of the 450,000-member QFL. He sits on the CEP's board of directors and as such was intimately involved in its decision to support Videotron's purchase by Quebecor. He also heads the QFL's Solidarity Fund, a mutual fund that controls billions invested in more than 1,600 Quebec companies. The low-wage company to which Vidéotron proposed to spin off its technicians was actually set up by the QFL Solidarity Fund as the result of an agreement with Bell Canada in the mid-1990s that enabled Canada's largest telecommunications company to eliminate its technicians and "re-hire" them through Entourage at reduced wages and benefits.

It is not so much that the union bureaucracy "betrays" the principles of trade unionism in collaborating with big business. Rather, this increasingly intimate collaboration is the ultimate outcome of trade unionism—of the unions' acceptance of the wage-labor/capital relationship and thus the subordination of all economic life to the profit requirements of big business.

In the decades immediately following World War II the bankruptcy of this perspective was masked by the relative possibility of workers in the advanced capitalist countries to win better wages and working conditions. But with the unraveling of the postwar boom, beginning in the 1970s, the unions have been transformed into mechanisms for imposing capital's attacks on workers.

And the bloated union apparatuses—by virtue of their participation in the management of various pension funds, strike funds and other immense investments—have developed a direct and growing financial interest in increasing the intensity with which workers are exploited.

The fundamental lesson to be drawn from the bitter experience of the Vidéotron strike is the necessity for workers to break organizationally and politically with the union bureaucracy. The working class needs a new perspective, a socialist and internationalist perspective, and a new political organization capable of expressing its objective interests. Strikes and other forms of militant action are certainly necessary weapons in the class struggle. By themselves, however, they are not able to successfully counter the assault on jobs and living standards. Such militant actions must be subordinated to a political struggle, waged by the working class, not simply against this or that employer but rather against the profit system itself, and for social equality.

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