
July 17, 1994

The 'Moncton Miracle': Bilingual Phone Chat

By CLYDE H. FARNSWORTH

THE big blow to this community came in 1988 when the government-owned Canadian National Railways, closed its Moncton repair yard in a cost-cutting drive, idling 2,000 workers.

Many of the jobless spoke both English and French, like Louis Melanson, who was hired by the railroad after high school and labored at the Moncton yard for nine years, mostly behind his welder's blowtorch.

Today, Mr. Melanson is one of hundreds of bilingual workers who are transforming the former rail hub into the Omaha of Canada -- a telemarketing and customer-service telephone call-center capital.

Wearing the earphones that are the symbol of his new profession, the 34-year-old Mr. Melanson sits in an office cubicle in a big new building, around the corner from the Moncton railroad station.

He works for Purolator Courier of Canada, the nation's largest overnight courier service, which came to Moncton two years ago, attracted by the area's bilingual workers, a state-of-the-art phone system and lower wage rates than in the company's home province of Ontario. In addition, New Brunswick lifted its provincial sales tax on toll-free 800 numbers.

"We chose Moncton as one of the most cost-effective locations for telemarketing and corporate support offices in all of North America," says Fred Manske, Purolator's chief executive officer. (Canada's Purolator was once a subsidiary of the American company of the same name, but a group of investors bought the Canadian courier unit in 1987. American Purolator, a producer of oil filters, is no longer in the courier business.)

Mr. Melanson is among those hired to take calls about pickups and package-tracing from Quebec and other provinces seven days a week. He and his co-workers in neighboring cubicles field nearly 20,000 calls a day.

Others do data entry and billing operations. Altogether, Purolator accounts for 400 new Moncton jobs. It and other companies with similar operations have added nearly 2,000 jobs to the local economy, almost making up for those lost when the rail yard shut down in 1988.

Frank McKenna, New Brunswick's two-term premier is one of the policy architects of the economic rehabilitation that he likes to call the "Moncton Miracle." Bilingualism and the adaptation of new computer and communications technologies, he says, represent "our ticket on the uptown bus."

While repairing railcars, Mr. Melanson never realized his accentless English and French would be the key to a future job.

"It certainly has a lot of bearing now," he observes, adding with a grin. "No more heavy smoke and my hands stay clean."

His French is a carryover from the region's Acadian past. Nearly half the 106,000 people of Greater Moncton and many others in northern New Brunswick and Nova Scotia descend from the French farmers who settled here 200 to 300 years ago.

The Acadians' history, distinct from that of other French settlers in Quebec, was marked by a brutal deportation by the British between 1755 and 1763 -- recounted by Longfellow in his "Evangeline."

Yet because large numbers of English-speakers also settled in the two maritime provinces, New Brunswick and Nova Scotia, bilingualism is more widely practiced here than in Quebec, where a hard-line group of the population has long promoted not only French linguistic hegemony but physical separation from Canada as a French-speaking republic.

Eric M. Robichaud, president of the Greater Moncton Economic Commission, said the fading rail industry "forced us to realize we had a problem and then to recognize that the bilingualism of our work force that we had long taken for granted was a tool we could market."

To support the development effort, English- and French-speaking community colleges now even provide courses in telemarketing to eager bilingual students.

Moreover, Moncton has become the home of this nation's Telemarketing Industry Association (45 member companies ranging in size from one to 1,300 employees), whose mission is to promote Canadian call center operations as a "professional and leading edge industry."

Besides Purolator, the companies that have set up telemarketing or customer service operations here include Federal Express, the American courier service, Camco, a leading Canadian maker of household appliances, and Business-to-Business Telemarketing, which handles telemarketing for other companies on a contract basis. Last week, the Royal Bank of Canada, the nation's largest bank, announced that it plans to establish a big call center here.

New Brunswick isn't the only province trying to attract the new customer-service and telemarketing operations. Manitoba and Nova Scotia, also with French-speaking minorities, are pressing their case as well.

They, too, have lifted the provincial sales tax on 1-800 numbers. Manitoba offers favorable lending terms for capital equipment and software development. Nova Scotia also offers a range of incentives, which may have helped turn back an effort of New Brunswick to snatch a Sears Canada, Inc. operation away from Halifax.

Yet nowhere is the pool of bilingual workers greater than New Brunswick, although in annual operating costs, the three provinces are roughly on a par.

Helped by the weakening Canadian dollar, they all do well in comparisons with the United States. A study by Boyd Company Inc., location consultants of Princeton, N.J., showed that at the end of last year, the annual operating costs of a call center in Greater Monckton were below those of 24 sites in the United States. The closest American rivals were Panama City, Fla., Salt Lake City and Omaha.

"For communities to be successful in economic development, they must sell their core competencies," says Jim Gilligan, Toronto-based location consultant who for PHH Fantus Inc. "Clearly, in Moncton the people realize bilingualism is an asset and are running hard with it."