



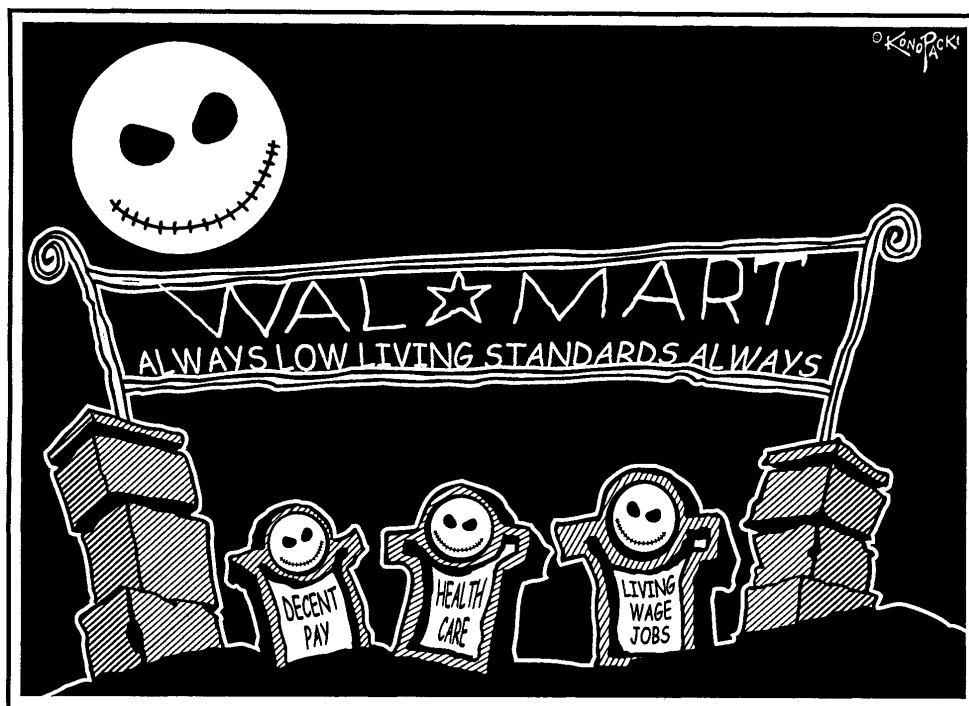
# Local 298 Newsletter

Issue #2 Volume 8

cep298@monarch.net

www.cep298.com

February 2004



## Wal-Mart: Every day low wages

Maquila Solidarity Network  
Update/CALM

The world's largest retailer has been caught exploiting workers again. In October 2003, U.S. federal law enforcement officials raided 61 Wal-Mart stores in 21 states and arrested more than 300 illegal immigrants employed by Wal-Mart

contractors to clean the company's big box stores. According to an anonymous federal official, Wal-Mart knew of the immigration violations.

One arrested worker claims he had to work every night of the year, except Christmas and New Year's Eve, for \$400 U.S. a week and no health insurance coverage or other benefits. Another worker says he worked seven nights a week for \$350 U.S. At least one contractor admitted not making contributions for workers' compensation or social security.

Wal-Mart responded to the bad publicity by promising to fire all illegal immigrants. In November 2003, lawyers filed a class action suit alleging that Wal-Mart violated federal racketeering laws by conspiring with its cleaning contractors to cheat the immigrant workers.

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## Editorial

# Oh How Humble...

By Don Klie

The following is a copy of a recent email from Dave Coles, CEP Western Region Vice President:

Hi Don

Local 298's News Letter has been awarded the CEP's Western Region "Over all Excellence" newsletter category award. Good job. I would like to congratulate all those involved. I also would like to arrange to attend a general membership meeting some time this spring to present this award to the local.

**Once again congratulations  
Dave**

This is the second time that the Local 298 Newsletter has won an award. Previously, the Newsletter won the Canadian Association of Labour Media (CALM) 1998 best overall union newsletter in Canada for the under-500 circulation class. At that time, millwright Tom Bare was the editor. Tom has since gone over to the dark side and is a planner for mechanical maintenance in the Pulpmill (*I'm not planning to make the same type of move anywhere in the near future*).

I would like to thank all of those who have contributed articles to the *Newsletter*. Their help has certainly contributed to the reasons for this award for overall excellence. I encourage their continued involvement (and submissions) and welcome anyone else to contribute articles to the Newsletter.

I would also like to thank the membership for their patronage. Each month I am allowed two days from work, paid by the Union, to publish the Newsletter.

I find this a labour of love (pun intended) and have always believed that our Local needed just such a forum for keeping the members informed. Whether it is regarding grievances, safety issues, pension information, health and welfare issues, union direction on issues of the day, etc, the newsletter is invaluable to the union. It is also a tool that the Union can use to expose the Company's dealings with the membership.

A newsletter should also entertain as well as inform. I hear as many comments about the back page puzzle as I do about most of the articles.

I look forward to the memberships' continued support.

Dave Coles is tentatively scheduled to attend the March 10, 2004 membership meeting. Let's have a good turn out.

*(Things can be frustrating though. This is the second writing of the editorial article because of computer malfunction. C'est la vie.)*

## Wal-Mart (Great) Expectations

It was with great anticipation and fanfare that Wal-Mart opened its newest store in Terrace, B.C. Many communities try to encourage Wal-Mart to locate in their town much to the chagrin of competing businesses and anti-super-store residents.

There is no doubt that Wal-Mart comes with a price even though they have become the biggest company and retailer in the world by offering its customers the lowest price possible. The campaigns against Wal-Mart can easily be found on the Internet or most union/labour publications. The picture and article on the cover of this month's newsletter are from CALM. There are two other articles in this newsletter, one from the highly respectable *Washington Post* (of Watergate fame) and the other from *Fast Company*, a monthly business magazine. Both were easily located on the Internet.

A few weeks ago CBC's Venture television program did a piece on Wal-Mart. This story was from the angle of UFCW – United Food and Commercial Workers International Union, the union that represents workers at Overwaitea, Safeway, The Real Canadian Superstore and many other businesses. The union was worried that Wal-Mart's move into groceries would put downward pressure on the wages and benefits that their members' employers pay. Wal-Mart is completely and fiercely non-union.

When Wal-Mart enters a market they want to dominate and they do that in part by getting the price that consumers pay as low as possible. How can you fight against all those consumers who are only trying to make their dollar go as far as possible?

Wal-Mart isn't the only non-union retailer out there. What about the anti-union Canadian Tire? What about Sears, The Bay, Zellers, MacDonald's, Pizza Hut, Trigo's, etc? But their dominance is unavoidable. Are they good for us as consumers?

Look at what Wal-Mart advertises – Wal-Mart entered Canada in 1994 by buying out Woolco. Woolco employed 16,000 people; Wal-Mart employs over 60,000 in Canada today. Since 1994 Wal-Mart has injected more than \$1 billion into the Canadian economy through development. The store in Terrace employs over 200 people. *(cont. on page 12.)*

## Executive Officers For 2004

		<u>Tel #</u>	<u>Work Local</u>	<u>Job Title</u>
<b>President</b>	Don Klie	632-7571	2367	Pipefitter
<b>1<sup>st</sup> Vice President</b>	Frank Verde Sr.	632-2924	2213	Shiploader/Labourer
<b>2<sup>nd</sup> Vice President</b>	Jack McCamy	632-5658	3513	Spare Board
<b>Financial Secretary</b>	Mary Murphy	632-5201	3451 or 2568	First Aid/Stores
<b>Recording Secretary</b>	Gary Ewanski	632-2743	2213 or 3519	Shiploader/Labourer
<b>Inside Guard</b>	Andy Sanwald	632-4131	3510	Spare Board
<b>Outside Guard</b>	Pablito Mendoza	639-9187	3466	Instrument Mechanic
<b>Trustees</b>	Gary Drake 3yr	632-2905		Lubrication Mechanic
<b>Trustees</b>	Ed Da Costa 2yr	632-7796	2356	Raw Materials
<b>Trustees</b>	Dan Belleville 1yr	632-5935	2367	Pipefitter
<b>Chief Shop Steward</b>	Ilona Kenny	632-4244	3451 or 2568	First Aid/Stores

## Committees

**Standing:** Frank Verde Sr., Dan Belleville,  
**Committee** Ed DaCosta, Ilona Kenny, Jack McCamy

**Wage:** Frank Verde, Jack McCamy,  
**Delegates** Dennis Urbanowski, Don Klie, Mary Murphy

**Job Evaluation:** ....Dave Burrows, Jack McCamy

**Rehabilitation &:** Mary Murphy 3yr  
**Reintegration** Steve Welsh 2yr

**Employee\ Family:** Mary Murphy, Gary Ewanski,  
**Assistance** Peter King

**Pensions:** .....Gary Drake, Don Klie, Gary Ewanski

**Sunshine Committee:** Dorothy Birkett

**Contracting Out:**.....Ed O'Halligan, John Miller, Dennis Urbanowski Dino Stamatakis

**Central Safety:**.....Mary Murphy, Dan Belleville, Alfie Poellot, Angus MacLeod

**Apprenticeship:** .....John Burget, Dennis Urbanowski, Paul Wilson

**Women's Committee:** Kelly Ruff, Mary Murphy, Brenda Tewnion

## Shop Steward

**Chief Shop Steward** Ilona Kenny  
**Yard & Stores** Mary Murphy  
**Janitorial** Kelly Ruff  
**Raw Materials** Mike Holland  
 Arnie Carrita

**Steam Plant and Pulp Mill** Andy Sanwald  
 Richard Crockart  
 Dave Burrows  
 Kevin Read

**Shiploaders** Dino Stamatakis  
 Wayne Fulljames

**Warehouse\Dock** Jason Smith  
 Angelo Marrelli

**Maintenance**  
**Pulpmill** Al Hummel  
**CRU** Elvis Resendes  
**Paper Maint.** Dan Belleville  
**Electrical** Rick Wittmann  
**Inst. Mech.** Pablito Mendoza  
**Millwrights** Steve Dudra

Is there a mistake in this list of shop stewards or committees? If so, please let the office secretary know and we will correct it.

**Newsletter Editor:** Don Klie;  
 donklie@telus.net

# WARNING!!!

THIS NEWSLETTER IS RATED:

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**FOR UNION!**

This newsletter is solely for the entertainment and information of the members of CEP Local 298.

**Union Office Hours:**

9:00 am to 5:00 PM

Monday to Thursday

Closed Friday, Saturday

And Sunday

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Signed articles appearing in this newsletter express the view and opinions of the authors. They are not necessarily the policy of the CEP or views shared by Local 298, its executive, or the editor. Articles and letters are encouraged and should be handed in to the union hall. You can E-mail your articles or contributions to the editor at cep298@monarch.net, or donklie@telus.net. All contributions become property of the union and must be signed. Contributors should note if they wish their material returned.

Editor: Don Klie

♡ ON VALENTINE'S DAY...  
GIVE A GIFT THAT COUNTS:



**TELL A FRIEND ABOUT THE UNION**

*wilson*

**Deadline for submissions  
March 2004 Newsletter  
March 11, 2004**



## President's Report

# Relationship Initiative

by Don Klie

During the strike the Company offered to, once the strike was over, set up a facilitation process to try to work on improving the relationship between Company and the Union. Like everything else, this issue has been a bit slow to develop but headway is being made.

I will admit that, while I am hopeful that we will be able to improve the relationship, I am skeptical that we will be able to achieve that goal. I am prepared to put in the time and an honest effort to succeed in this endeavor but I am mindful of the past history between the two parties and I have seen programs come and go. Both sides fear that to continue in the way we have we will only be threatening our future as a business and the jobs that we hold.

With the help of Dave Coles, he recommended a facilitator to the Union (and the Company quickly accepted), we have taken the first steps down this road.

Peter Lawrie of King Chapman & Broussard, Inc. (<http://www.kcbcg.com/home.htm>, his biography is at <http://www.kcbcg.com/documents/lawrie.pdf>) has been selected as the facilitator. He has worked a number of years for MacMillan Bloedel and Rio Algom Mining in the Employee Relations field.

The first meeting is set to take place March 1<sup>st</sup> to 3<sup>rd</sup>, 2004. The initial meeting is for the facilitators, John Warne, a past Steelworkers' Union representative, will assist, to meet the two sides and to do individual interviews.

The Union was asked to identify a handful of people who we thought the membership look to for leadership, whether on the executive or on the floor. What they were looking for were the types of people who others seek out for opinions and direction when making decisions about the issues that affect us; the types of people who will be instrumental in promoting any relationship improvement initiative. The Company is being asked to do the same. Once the interviews are done the facilitators will take some time to review the information and try to come up with a plan to proceed.

That's about all I can report for now. If you would like some more information about the facilitators and the programs they promote I would suggest that you visit their web site.

Obviously, we have to identify what we think the problems are. Things like respect and dignity, safety, credibility and leadership quickly come to mind. There are several examples for each of these items. If anyone wants us to raise his or her own issues let us know before the end of the month so that we can take those issues with us. Right now Frank Verde, Jack McCamy, Ilona Kenny and myself are leading the Union's committee and will be



interviewed. The Executive is going to meet as a group with the facilitators, and a few individual executive members will also be doing the individual interviews.

**There is a Pulp and Paper caucus meeting** in Vancouver scheduled for April 19 and 20, 2004 that I will be attending. Tentatively on the agenda is a presentation on Disability Management by Wolfgang Zimmerman of NIDMAR – National Institute of Disability Management and Research, locals' report on Commitment to Employment – Letter of Understanding, which was recently negotiated, and then Locals' reports and question and answer session.

## Strike Ends for Local 789

After 71 days on the picket line CEP Local 789 has successfully negotiated their new contract and have gone back to work. From their web page:

*Here is what they finally agreed to:*

- **YES to the Norske Pattern agreement**
- **NO Cost sharing for Health and Welfare benefits**
- **NO Student or probationary rates of pay**
- **NO Selling off of vacations**
- **YES to Successorship**
- **YES to Retirees' benefits for the length of the contract**

There were a number of people in Local 298 who signed up to voluntarily increase their dues in order to send financial assistance to the members of Local 789. However, Eurocan has refused to agree to make the necessary adjustments to the individuals' dues therefore the money has not been collected by way of the dues. Our contract clearly states that Company will deduct union dues from employees'

cheques. Therefore, the Union will be forced to file a grievance in order to get the Company to follow the contract.

Since processing the grievance will take time to resolve we will not be applying for the temporary dues increase once it is settled. The first deduction was to have been for the January 29<sup>th</sup> pay cheque. Local 789 ratified the new contract January 27<sup>th</sup>. We would have eventually collected \$24 per member had the Company agreed to the payroll deduction. Anyone still wishing to donate the money to Local 789 can do so by going to the union hall and we will make arrangements to forward the money.

## Raw Materials Malaise...

Does anyone remember CEM? (I can't even remember what the letters stand for.) How about "bottlenecks" in Raw Materials, Pulpmill and Recast?

A few years back the Company brought in some outside consultants, about the same time they brought in the reliability program in maintenance. The job of CEM was to try to improve the "bottleneck" in Raw Materials. That is, it was perceived that there were serious problems in Raw Materials because we couldn't process enough of the raw materials, chips and chemicals, fast enough to meet the production requirements of the rest of the mill, namely the Papermill.

The production target set for the Papermill could not be met by the amount of chips we were currently processing through Raw Materials, both by rail and by truck. So, CEM was brought in to help us improve our efficiency and to identify what improvements had to be made, whether it was by purchasing new equipment and/or having the employees being more efficient so that they could move more product, or something completely different.

However, around this time the whole area of Raw Materials was going through some major changes in management. First there was the retirement of the Terminal/Raw Materials Manager, Vince Bawa. Long time employee and Raw Materials and Steam Plant Superintendent, Lowell Butler moved up to replace Bawa. After about a year or so there was the "forced" resignation/termination of Mr. Butler and the temporary promotion of Harry Murphy to Acting Manager for the area.

Also on going in the area, there had been a number of supervisory changes at Raw Materials. Supervisors who had been with the department for several years were either moved out or took a retirement package. Ivan Murphy was moved to the Pulpmill. Don Holmberg retired (kind of, off and on like Eddy Allen). At one point, night shift supervision for the area was under the Steam Plant. Later, the Security/Plant Protection Officers were brought in to

supervise the area. Following that the main gate security building underwent decommissioning, of sorts, and the Plant Protection officers were no longer. They had all become Raw Materials supervisor with the continued responsibility for plant security, first response, ERT, fire fighting, first aid, etc.

Eventually, Harry Murphy was moved back as superintendent for Raw Materials and later replaced by Bob Matiwsky. In the end Mr. Murphy also was "forced" to resign/terminate. Kevin Carter filled the manager's position for the area, for a while, and Harry Wilkinson was brought in to replace Frank Parlee as terminal superintendent. All of these changes were not what one would call smooth transition type changes.

What it has meant for the operation of the Raw Materials area is near fatal consequences. Back in the Spring of 2003 there was the very serious train collision with the runaway cars. More recently there has been a very serious near miss incident where the brakes on the loci failed and an employee narrowly missed being injured when the train unexpectedly moved over two and a half car lengths. In hindsight, both incidents point to the glaringly inadequate management of this area.

Things that used to be done have fallen by the wayside. In the recent incident, cold weather and the lack of snow clearing help created the conditions that needlessly endangered one of our members. Snow clearing of the rail yard has been degraded in recent years. In Kitimat, it is not acceptable not to know how you to deal with the snow.

In the Springtime incident, everyone knew that in the past, when rail cars have sat for extended periods of time, the braking systems have had a tendency to back off allowing for the cars to start to roll if not properly blocked.

The Company, to their credit, has recognized the serious problems that we are in and have again brought in some outside consultants to help us get things "back on the tracks" so to speak. An audit has been done on the rail yard operations. The Company has appointed/dedicated someone (Bruce Fisher) to oversee the area.

A major concern here is that the Company's focus originally was "productivity". CEM wasn't here for safety. Of course, there is always the Company Safety Policy to remind us how important safety is, that is, safety will not be compromised for productivity. But, what did CEM do for us? Was it their advice that led us to two serious incidents (near fatalities)?

The major failure here is that the Company is not putting the proper resources, and the proper amount of resources (including people), into running this area (this also applies to the whole mill). They are not properly training their people (not to mention our people, remember the two WCB orders regarding

inadequate training and supervision?), and they are putting people in supervisory position who are less than able to handle the situation due to this lack of training and experience.

When you bring in supervisors from other areas, or a kid from the Steam Plant, it doesn't necessarily mean that they can't learn the job. But what is the standard they are being trained to? Why didn't they see or recognize that the snow had to be cleared off the rails in order for the loci to properly operate? Supposedly, the condition of the rail yard used to be much better in the wintertime. What has changed? Did the supervisors not have the authority to clear the snow off the rail lines? Did the supervisors know what the standard was? Did anyone at Eurocan know the standard?

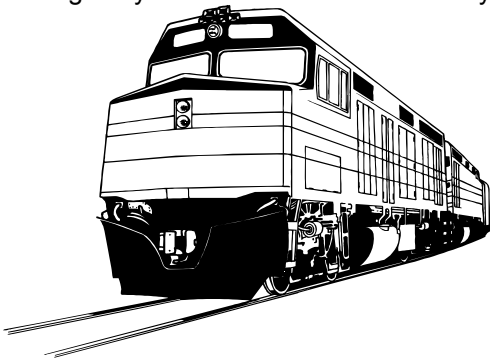
It is easy to see these shortcomings in hindsight.

But, we have to say that these shortcomings are not acceptable. Eurocan has been running this operation for over 30 years. During that time we must have learned how to run Raw Materials without endangering people's lives. Why didn't we learn how to pass this information along?

Written procedures are a must.

When Twyla Hurley (remember her?) was first hired the Union requested a copy from the Company of all the Job Safety Breakdowns (JSB's) for the Raw Materials area. We had been told by one of our members that the JSB's in Raw Materials didn't exist, at least not in any recognizable form. Ms. Hurley refused the Union's requests noting the JSB's were to be revised and brought up to standard. In the recent incident the Union has requested again requested a copy of the rail yard procedures. We have been told that there is a draft that is currently being circulated for comment amongst the rail yard crews and that it will be finalized in about a month and a copy will be forwarded to the Union at that time.

The Union will continue to monitor the Raw Materials situation. The Union encourages all the employees in the Raw Materials department to remain vigilant in their jobs. If the job is not safe, make it safe. If it can't be (safely) made safe then contact your safety captain and supervisor. Do not do any job that cannot be done safely. Strive to raise the standard of safety in the area and see to it that safe operating procedures are written down, reviewed regularly and revised when necessary.



## No nursing home for me...

When I can't look after myself I am checking into the Holiday Inn! With the average cost for a nursing home per day reaching \$188, there is a better way when we get old & feeble. I have already checked on reservations at the Holiday Inn. For a combined long term stay discount and senior discount, it's \$49.23 per night. That leaves \$138.77 a day for:

1. Breakfast, lunch and dinner in any restaurant I want, or room service.
2. Laundry, gratuities and special TV movies.

Plus, they provide a swimming pool, a workout room, a lounge, washer, dryer, etc. Most have free toothpaste and razors, and all have free shampoo and soap. They treat you like a customer, not a patient. \$5 worth of tips a day will have the entire staff scrambling to help you.

There is a city bus stop out front, and seniors ride free. The handicap bus will also pick you up (if you fake a decent limp).

To meet other nice people, call a church bus on Sundays.

For a change of scenery, take the airport shuttle bus and eat at one of the nice restaurants there. While you're at the airport, fly somewhere. Otherwise, the cash keeps building up.

It takes months to get into decent nursing homes. Holiday Inn will take your reservation today. And you are not stuck in one place forever, you can move from Holiday Inn to Holiday Inn, or even from city to city. Want to see Hawaii? They have a Holiday Inn there too.

TV broken? Light bulbs need changing? Need a mattress replaced? No problem. They fix everything, and apologize for the inconvenience.

The Inn has a night security person and daily room service. The maid checks to see if you are ok. If not, they will call the undertaker or an ambulance. If you fall and break a hip, Medicare will pay for the hip, and Holiday Inn will upgrade you to a suite for the rest of your life.

And no worries about visits from family. They will always be glad to find you, and probably check in for a few days mini-vacation.

The grandkids can use the pool. What more can you ask for? So, when I reach the "golden age" I'll face it with a grin.

Just forward all my email to: [me@Holiday.Inn](mailto:me@Holiday.Inn)

(From the Internet. Editor.)



## Standing Committee Report

# Pray For The Best In 2004

By Dan Belleville

The Company and Union have formed a committee to deal with the problems of full flexible practices.

The introduction of flexible work practice was designed to improve productivity, improve product quality, reduce down time and lower costs while ensuring that work is completed in a safe manner and also made sense.

The parties agree that the letter on flexible work practices recognizes that the primary responsibility for the operation of the mill will remain with the operators and the primary responsibility for maintenance for the mill will remain with trades persons and steam plant maintenance employees.

All work will be performed in a safe manner consistent with the Company's policies, Union contract and WCB regulations.

It is recognized that some tasks can only be performed by employees who possess certain government certifications and in that instance, the work will be performed by employees who possess the required government certificate.

One of the main concerns of the Union is that the Company must train the workers or have proved that they have been trained before asking them to perform the work.

As for the Company, they want to have people trained that can do multi-trade jobs. If you can run a forklift and can help move equipment or material to and from jobs, do it. If you can set up and operate pumps, help with spills or just pump out tanks, do it. If there is clean up needed and you are available, or if you can shovel or use a bobcat to help, you can do it. If you can operate the equipment and can do yard work in the mill then you can be assigned to do it. If repairs on the rail yard or tracks need to be cleaned or a switch fixed, you should be able to do it. Another job that shows up is brush clearing on mill property, if you know how to use a chain saw, weed-whacker or axe, you can do this job. In the winter, snow cleaning and salting is another job workers can do. Also, to relieve departments that are short on workers, if you are trained you can be moved to do the job.

This is one of the main reasons the Company wants to assign the work under full flex practices. It saves money and makes sense. Agree!

Whoa! Whoa! Stop the wagon. Halt! Stop! Back up the train!

After reading this or in my case, writing it, does this not sound a lot like what we had. We all know these workers as the Yard Crew. They also did all the garbage pickup, did relief at the Docks, and now the ship loaders can be added to this department when no ship is in.

Well, your guess is as good as mine. Maybe they can tell us the reasoning behind this. It was not the Union's members that wanted this.

Now full flex for the trades are different because you must be trained to do lots of the jobs. Some jobs look simple and if trained properly probably are. But if not trained properly it can cause damages and serious injuries. Example: fixing a hose by "mickey-mousing" it together so it can blow up in someone's face; this has happened!

If you're not sure or can't get the proper parts call someone who can. This is not to say we can always get the parts because of the Company's cutbacks on parts, but we will try our best.

The Union's concern is that the Company thinks they can assign work to people that have not been trained or can show that they have been trained. Example: I asked the WCB officer if a person told his supervisor that he had been trained elsewhere was that good enough for the supervisor to assign him the job. The WCB officer said NO! The supervisor has to have done a job observation or had some proof of the individual's ability.

Another big problem with flex is it is supposed to reduce contracting out and create more in-house work. As everyone knows we have fewer carpenters, painters, tinsmiths, machinist and no masons, and basically everyone is spread out too much.

This is one of the main reasons we have too many contractors in the mill doing our work. Its not that we can't do it because of ability or capability, its that we haven't got enough people to do the work. If we had the same numbers of carpenters that we had years ago scaffold building wouldn't be a problem. The carpenters and yard helpers could put up and take down scaffolds in a timely manner. This would eliminate scaffolds staying up, forever it seems, and then running out of scaffolding to do the next job. And, then having to have Chinook come in and put simple scaffolding up for Johnson Joint changes (in the Papermill).

Remember when people were trained to use high-pressure pumps, or equipment was brought in and our workers used them. The need to use companies like Hydro Mechanical or Eveready would be greatly reduced because we could do the jobs under full flex.

Remember when we had people that became supervisors because they worked in that area or that trade. They knew how things worked in their job. They knew what jobs needed to be done and how long it took. Those days we didn't need planners to



plan the planner's job. We could hire extra workers instead of having the contractors doing the hiring and building new office spaces or buying new equipment to do our jobs.

Hopefully the Company can see that if you do nothing for three months the mill will fall apart when it is restarted. Or, if regular maintenance isn't done the problems it creates will catch up with you.

At Standing Committee the Company seems to be trying to be more sensible. But, too many things have happened and we are not quite jumping on the bandwagon.

Doing what makes sense is good but doing what is safe and sensible is better.

## CEP picks Abitibi Consolidated as "target" in Bargaining

January 22, 2004

**Montreal** - Canada's largest forestry workers' union has chosen the country's largest newsprint producer as its "target" company in upcoming negotiations for a new collective agreement in the pulp and paper industry in Eastern Canada.

Some 400 delegates representing 25,000 members of the Communications, Energy and Paperworkers Union of Canada today selected Abitibi Consolidated as the target employer at the end of a three-day bargaining conference here.

The Conference, chaired by Union President Brian Payne, hammered out a bargaining agenda and priorities for the pattern agreement in the industry. Once a pattern is established with the target company, the same terms and conditions are then brought to the table with other employers.

It is expected that bargaining on the pattern, which focuses primarily on monetary issues, will begin in March. In the meantime, CEP local unions from Ontario to Newfoundland are in the midst of negotiations on local issues.

"This round of bargaining is about making progress for our members," Mr. Payne told the delegates, "and employers may as well understand that from the outset. We are not going into this round of bargaining to go backwards or to stand still."

Conference delegates declared five key areas as priority for improvement: pensions, wages, benefits, job security and length of the agreement.

The union members are at the end of a six year agreement and, says Mr. Payne, "have made it clear that they are determined to accept no more than a three year term in this round. They are in no mood to accept that long an agreement in this round." The

last contract was signed following a five and one half month strike.

"The employers know we are strong and that, if required, we will use that strength to achieve our goals," Mr. Payne said. "But our hope in this round is to get an agreement without strike action."

"We know that this industry is cyclical and that we are coming out of the bottom of the cycle. We expect the industry's fortunes to improve over the course of this year and beyond," Mr. Payne added.

### CEP Local 789 Victorious

## Domtar Rolls Over, Agrees to Pattern After 10-Week Strike

*(The article is courtesy of The Pulper, the newsletter for CEP Local 1129. Editor.)*

After 71 days on the picket line victorious members of CEP Local 789 won the lion's share of what they struck for in mid-November. Management at the Domtar Vancouver Mill, which makes fine papers on Annacis Island, rolled over more or less completely.



On January 27 they voted 77 per cent in favour of a new Collective Agreement that gave them the Scott Paper variant of the BC pulp and paper pattern. This means that the "newsprint trigger" in the September 2002 Norske agreement was replaced with a straight-up company agreement to provide pension bridging at 60 years of age.

Picketing through the bitter cold and torrential rain of the mid-winter months, Local 789 members beat back company concession demands for increased health and welfare benefit cost-sharing, a lower tier of pay for students and probationary employees, and cuts to retiree's benefits.

They also got the right of successorship encoded in the Collective Agreement. This provision—which is currently law in BC, but who knows for how long—provides for the Contract to remain in force through any change of the mill's ownership.

Congratulations to our brothers and sisters in Local 789 for a battle well fought. We are encouraged and inspired by your example.



#### **To All Members of CEP Locals 298 & 1127:**

My heart is touched, it meant so very much. I thank you so much for the money you sent to me. I was able to have time with my children to set off their cost of coming to Willy's funeral. Your expression of sympathy, Prayers and comfort has helped me very much. It is good to know that our friends are still thinking of us. Willy will be missed by all. He made as many friends here as he had in Kitimat and area.

**Again  
Thank you  
Margarete Frisse**

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#### **To CEP Local 298**

During the past year many of you were on the line fighting for what you believed in and I believe this also included bargaining in the payment of benefits on behalf of seniors. Earlier on we were billed \$456.55 to pay for our benefits. Awhile after negotiations ended we received a cheque for just over \$3?? and Eurocan began covering our benefits again. THANK YOU!!! It's so nice to know that you remember your retired fellow workers and are willing to include them in your negotiations.

Also -- thanks for the lovely basket of goodies that was delivered to our house!

We wish you all Peaceful and Happy Holidays and also a wish for health, happiness and prosperity to you and yours in 2004! Enjoy!

**Don and Joanne Ong**

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#### **To CEP Local 298**

Thank you very much for the flowers you sent to us at the hospital. It was really appreciated!

**Thanks Again  
Kristen, Samantha & Hannay Eck**

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#### **To CEP Local 298**

It was with sadness that we received the news of the passing of Willy Frisse, Hookie Martin and Poly Jachner. I worked with all three and I have fond memories as they were all characters and we shared many a good time.

We would like to thank all those who are responsible for the Local 298 News Letter that keeps us in touch with all the news in the Eurocan world. We would also like to express our appreciation for the hard work that goes into the negotiations. We also Thank You for not forgetting the retirees.

It is our very strong opinion that the best part of a working person's life is "RETIREMENT". We have been lucky as we have our good health and we are happy with life.

**Wishing all Good Health and Good Luck  
Ron & Alice Knight**

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#### **To The Executive & Membership of Locals 298 & 1127:**

Even though you didn't have to do it, you did it anyway. And it was very much appreciated.

**Thank you Very much  
Maria Jachner**

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#### **To The Executive & Members of Locals 298 & 1127:**

##### **Dear Friends:**

It was with heartfelt thanks and much gratitude that I received your letter and your very generous gift to our family. This was very unexpected, and I was overwhelmed by the magnitude of it.

Our sons, Darren and Matt are presently living in London, England, and I was able to help with their trip home for tom's memorial service in Parksville. Your gift made that very easily done.

I know that Tom was a proud member of Local 298, and would be honoured by this thoughtful and caring gift. Once again, many, many thanks to all of Tom's friends and co-workers.

**Sincerely  
Sally Sellers**

P.S.: Thank you, with sincere gratitude for your generosity at our time of sorrow.

**The Sellers Family**

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*(The following thank you note is courtesy of The Northern Sentinel. Editor.)*

## *The Late Alfred (Hookie) Martin*

The family would like to take this time to thank the nursing staff of Kitimat General Hospital, Multi-Care Unit and Dr. Li M. Haung, Communications Energy and Paperworkers Union – Local 298, Eurocan Pulp and Paper Co. and Rev. John van Omme of the United Church of Canada. Thank you to all his friends who were so kind to us when we visited our father and brother. To Mike MacIsaac who transported us to and from Terrace Airport and Gord Fox who kept the family well informed, words are not enough. Whenever we think of Kitimat, B.C. and all of you, we will think of our extended family.

**Thank you,  
Sincerely,  
The Martin Family,  
Amherst, N.S.**



*(The following announcement is courtesy of The Northern Sentinel. Editor.)*

## **Thomas Beresford Sellers**

Tom, born Aug. 25, 1942, in Toronto passed away peacefully in hospital in Nanaimo on Jan. 21, 2004.

Tom was predeceased by his parents Alfred Hardisty and Phyllis Anne.

Lovingly remembered by his family, wife Sally and sons Darren and Matt. Tom is also missed by his siblings John (Marilyn), Mary (Ray), and Ruth; and nephews and nieces. Also missing him are the Bush family and the Blaikie family and many other close friends.

Tom was raised in Toronto by his loving family. He moved to Kitimat and started work at Eurocan in May 1971. Tom was a loving husband and a devoted father, who was dedicated to his church and

an avid member of his community. Many friends enjoyed Tom's ability to listen to and share in their concerns and enthusiasms. Tom worked hard and played hard. He and Sally moved to Parksville Feb. 2003, where Tom enjoyed retired life as the resident house-mouse.

There will be a memorial service at Christ Church Anglican, in Kitimat on Feb. 7, 2004 at 12:30 p.m. There will also be a memorial service in Parksville at St. Anne's – St. Edmund's on Feb. 21, 2004 at 1:30 p.m. with interment to follow.

In lieu of flowers, donations may be made in Tom's memory to Christ Church Anglican, in Kitimat, or to the Canadian Cancer Society.

Arrangements entrusted to Parksville Funeral Chapel, Cemetery and Crematorium 248-4644.

**The moment that you died  
Our hearts split in two  
One side filled with memories  
The other died with you.**

*(The following announcement was posted in the mill at Eurocan. Editor.)*

The Company regretfully informs all employees of the passing of Eurocan employee, Tom Sellers, early Wednesday morning, January 21st, 2004, after a long and courageous battle with cancer.

Our sincerest condolences go out to Tom's wife, Sally, and to their two sons, Darren and Matthew.

Tom, a long-term employee, commenced his employment with Eurocan on May 18th, 1971, as a Spare Utility in the Steam Plant. He worked his way up to the position of Assistant Shift Engineer within the Steam Plant, a position he held for many years before going on Long Term Disability on January 14th, 2002.

Funeral/Memorial Service arrangements have not yet been finalized, and will be posted when details are known. Provided below is the address for Tom and Sally for those employees who may wish to send their personal sympathies:

Apartment #201  
220 West Island Highway  
Parksville, B.C.  
V9P 2P3

*(I remember Tom as a "no nonsense" type of guy who didn't suffer fools gladly and who was a great conversationalist. The following thought of the day seems like something Tom might have said. Editor.)*

It is better to keep your mouth closed and let people think you are a fool than to open it and remove all doubt.

**Mark Twain (1835 - 1910)**

(continued from page 2)

## (Wal-Mart, the good corporate citizen?)

Plus, there were the 200 constructions jobs for building the store. Wal-Mart offers competitive salaries, health and dental coverage, illness protection, life insurance, long-term disability, scholarship program, stock purchase program (discount) and deferred profit sharing program.

On the day Wal-Mart opened in Terrace they announced donations to local charities of \$5,500. They have donated more than \$30 million to Canadian charities and organizations in need since 1994. Last year they raised a record \$2.4 million for children's hospitals across the country. And, they raised and donated \$1.5 million for the Juno Beach Centre campaign that honours our World War Two veterans and casualties.

It seems hard to knock Wal-Mart after reading all that. Some of those charities might be to offset the bad press that Wal-Mart receives but maybe not. Maybe Wal-Mart is just a nice conscientious corporation devoted to providing the best deal for its customers.

Read the two articles found later in this newsletter – *The Wal-Mart You Don't Know* and *Chinese Workers Pay for Wal-Mart's Low Prices*. They are just two random articles, easily found that do a more in-depth look at the Wal-Mart phenomenon.

It is imperative that we continue to monitor Wal-Mart and businesses like them. Their continued search for the cheapest possible price is affecting our society, how we think about it, how we provide services for all of us, our very way of life could be negatively affected by them.

If globalization and world trade do not improve, or makes worse, our way of life and those in the rest of the world then it is up to people like us, the consumers, to make sure that the laws are changed to address the shortcomings and inadequacies. Organizations like unions are just the place to start. Unions fight for the rights of the consumers much more than any company executive will because the unions are composed entirely of consumers. Our union principles are dedicated to the betterment of the membership not the corporation.

We fight for health benefits, pension benefits, (affordable) education, social welfare programs, improved working conditions, etc. Wal-Mart, and companies like them only address those issues when it begins to negatively affect their bottom line.

**Going off in a slightly different direction,** how the Terrace Wal-Mart treats its employees and customers, I believe, will become evident in the days and years to come by observing how well the store is maintained. In other communities where Wal-Mart

has opened a store the competition quickly cleaned up their act. These competitors re-model and cleaned up their premises, they re-trained their employees with the intention of providing much better customer service. When the Wal-Mart store first opens in a community, the store is very clean and there are associates ("name-game" for employees) everywhere trying to help out. If Wal-Mart, or the other stores, have any real interest or concern for you, the consumer, they will maintain a high level of housekeeping in their stores and focus on providing competent customer services. Price isn't everything.

## Massive demos in Quebec

### Organize/CUPE/CALM

**Quebec voters** thought they had elected a Liberal government last spring-but they woke up to find ultra-conservatives in power.

Since the National Assembly resumed in October, Jean Charest's government has tabled 10 bills rolling back and shredding social gains made patiently over the last 40 years.

Nothing has escaped the onslaught: the right to organize, the *Labour Code*, child care, labour force training, social assistance, regional economic development, the new municipalities, minimum working conditions in the clothing industry and more. Hardly a day goes by without more bad news. Le Devoir columnist Michel Venne summed up Charest's approach in these terms: "His ideology reduces government to a Wal-Mart of public services whose only motto is 'the lowest possible price' and [whose] flaws have been demonstrated around the world."

Union leaders have called Charest a liar-and rightly so. Having said he "wanted to work for the success of the new [amalgamated] municipalities," his government has now tabled legislation that will allow the old municipalities to be recreated. During the campaign, the Liberal Party promised to protect \$5-a-day childcare. Fees are going up to \$7-a-day and will be indexed in future.

In labour relations, it's war. Charest opened hostilities with an open letter in the major dailies in which he accused unions of being "corporatists." Next his government brought in legislation amending the *Labour Code* to allow contracting out. As well, they're launching yet another reform of health care structures-the fourth in 12 years. As part of the reform, bargaining units will be split into five different occupational groups in each institution. Combined with the *Labour Code* amendments, it paves the way for contracting out and lower working conditions.

Popular discontent is growing day by day with demonstrations occurring across the province-with even stronger action to come.

## Computer Advice

**E-mail viruses and Spam.**

By Peter King

Recently I have had a lot of people talk to me and ask questions about their e-mail and the threat of viruses and the ever-present Spam. One of the things people are concerned about is they can't delete a message without opening it. This is because the default setting of Outlook or Outlook Express is with a Preview Window. When you launch it you see three windows the one on the left is directory folders, the one on the top has the e-mail messages, the one at the bottom below that is a preview window. It lets you see the e-mail as you highlight it. I have my Outlook Express set up without a "Preview Window". Here is how to turn off the "Preview Window".

On the top of Outlook or Outlook Express you'll see a toolbar.

One of them is "View".

Click "View" and a window will drop down find "Layout".

Click "Layout" and other window will open up called "Window Layout Properties".

The bottom half is called a "Preview Pane" remove the check mark in front of "Preview Pane", then click "OK".

Now the preview window is gone you can highlight any e-mail by left clicking on it with your mouse. If you want to open an e-mail to read it you can just double click on it with your left mouse button. If you want to delete it you can either hit the "Delete" key on your keyboard or use your cursor click on the "Delete" button. If you right click the e-mail a window opens up with a number of options you may want to do with that e-mail.



You can delete large groups of messages in 2 different ways. The first one you hold down the "Shift key" click on the first message you want to delete them while still holding down the shift key click on the last message you want to delete. You will see all the messages in between will highlight. You can either hit the "Delete" key on your keyboard or with your cursor click on the "Delete" button.

The second way is to hold down the "Control Key" (ctrl) on your keyboard while holding down the "Control Key" (ctrl) click on each message you want to delete with your left mouse button. You'll notice only the messages you click on will highlight. Now you can either hit the "Delete" key on your keyboard or with your cursor click on the "Delete" button.

One of the things I do to management e-mail better is to have all the known e-mail that I get moved to a different folder such as "Save" or "Hockey" or "Friends" anything else left in the "Inbox" is probably junk and can be deleted quickly.

## How to set up Message rules to block e-mail.

First click on "Tools" at the top of outlook express with your cursor.

A window will drop down.

Put your cursor over "Message Rules".

A window will open up. Click on "Mail" with your cursor.

A window opens up called "Message Rules". On the top right click on "New".

A window opens up called "New Message Rules". There are 4 boxes marked "1" through "4".

In Box 1 put a check mark beside "where the subject line contains specific words". (Don't bother using the "from line" the spammers always use different e-mails each time).

In Box 2 put a check mark beside "delete from server," this is my favourite, then it gets deleted and does not even get down loaded to my computer.

In Box 3 you will see words underlined and in blue left click on them with your cursor.

A window opens up called "Type Specific Words". Type "viagra" in the field window, Click the "Add" button.

You can keep on repeating this step to add other words. When you are finished click the "OK" button.

Be careful what words you put in here because it deletes words with the word in it to like if you don't want car ads you delete "car" it will also delete carpet, carpenter, carpal tunnel and carpool.

In box 4 you will see "New Mail Rule #" delete it and type in something you will recognize "viagra". When you are finished click the "OK" buttons until you are out of all the windows.

OK! Now I am going on a little bit of a rant about the people who Spam you about "viagra." They know people are blocking the word by "viagra" so they say to themselves hey if I change the word "viagra" to a "vi~a\*gra" or "via/gr&a" maybe these people who are blocking "viagra" will buy this stuff. It seems only "viagra" spammers are real idiots.

## How to set up Message rules to save e-mail.

First click on "Tools" at the top of outlook express with your cursor. A window will drop down.

Put your cursor over "Message Rules". A window will open up. Click on "Mail" with your cursor.

A window opens up called "Message Rules". On the top right click on "New".

A window opens up called "New Message Rules". There are 4 boxes marked "1" through "4".

In Box 1 put a check mark beside "where the from line contains people".

In Box 2 put a check mark beside "move it to the specified folder".

In Box 3 you will see a word underlined and in blue left click on them with your cursor. A window opens up called "Select People". Type their e-mail address "bob@hotmail.com" in the field window. Click the "Add" button.

You can keep on repeating this step to add other e-mail addresses.

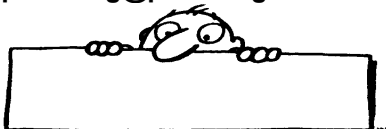
Click on the second word underlined and in blue left click on them with your cursor. A window opens up called "Move". Click on a folder or create a "New folder". When you are finished click the "OK" button.

In box 4 you will see "New Mail Rule #" delete it and type in something you will recognize "friends" or "hockey". When you are finished click the "OK" buttons until you are out of all the windows.

A hint I leave my e-mail on all the time so it is down loading my e-mail 24-7 so there is no chance I will get too many emails on the server you won't get any more e-mail viruses by leaving Outlook running than you will get by down loading once a week.

Another hint for all of you using ADSL (Telus). If you are having problems check to make sure no one has added an extra phone or moved one, every phone in your house has to have a filter on it or your ADSL runs badly.

**That is all for this month**  
**Enjoy**  
**peterking@peterking.com**



## Liberals cancel contract with democracy...

**it's time to side with our communities."**

It's time to strike back. The provincial government has cancelled its contract with democracy. Under the Liberals, community consultation has become a thing of the past.

We have rallied, marched, and lobbied but this government is not listening. Now is the time for us to take serious action. Its time to step up the fight.

This government is forcing a confrontation we do not want, but we owe it to our communities, our kids, and the next generation of workers to stand up to this unprecedented attack.

I am calling on all CUPE members to participate in a province-wide first day of action on a date to be announced soon. If we do not act now, we will be forced to sacrifice all of our gains in creating fair workplaces and strong communities.

Some have already lost their livelihoods. Health care is being privatized. Our social services are under attack. Our K-12 sector is about to be hammered by the new legislation. University, college, and library workers have all struggled under the Liberals death-by-a-thousand cuts. Pharmacare premiums have gone up. \$6 an hour is the new minimum wage. Tuition fees have more than doubled. Our skilled trades are being disassembled and apprenticeship programs broken up. The list goes on.

Some of you may think you can escape unharmed. But many of our employers are planning to use anti-labour legislation to force concessions from you. Weakened Workers Compensation laws, a downgraded Employment Standards Act, a weaker Labour Code will make that possible. They will tell your bargaining committee that the law is on their side with Bill 29 and Bill 94. Some will say you should be happy to have a job.

In some cases local governments have lost their authority to treat employees with respect and dignity. This government has given itself the ultimate veto by law with Bill 75. If we do not stand up now, there will be nothing left to stand up for in the future.

Our communities made this province strong and it will be community action that will keep it strong. In the Okanagan, community action saved a highway. We need to do the same in the rest of the province. If our union needs to lead the way, we should step up to the challenge.

We must work harder than ever to ensure our kids get the same chances we had and that our parents live with dignity. Our task is not easy, however history shows nothing worth having ever comes easily.

It is time to use our collective strength as workers to make B.C. a place where no one is left behind. Its time to strike back. Its time to choose sides. It is time to take the side of our communities, our families, and our future.

*BARRY O'NEILL is president of CUPE BC*

# The Wal-Mart You Don't Know

*(The following article was copied from the web page of Fast Company, a monthly business magazine. Editor.)*

The giant retailer's low prices often come with a high cost. Wal-Mart's relentless pressure can crush the companies it does business with and force them to send jobs overseas. Are we shopping our way straight to the unemployment line?

**From: Issue 77 December 2003, Page 68**  
**By: Charles Fishman**

**URL:** <http://www.fastcompany.com/magazine/77/walmart.html>

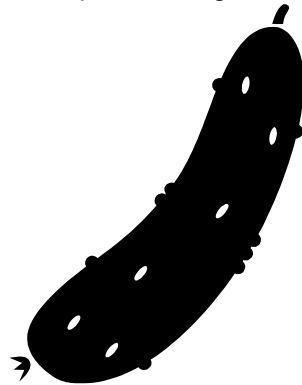
A gallon-sized jar of whole pickles is something to behold. The jar is the size of a small aquarium. The fat green pickles, floating in swampy juice, look reptilian, their shapes exaggerated by the glass. It weighs 12 pounds, too big to carry with one hand. The gallon jar of pickles is a display of abundance and excess; it is entrancing, and also vaguely unsettling. This is the product that Wal-Mart fell in love with: Vlasic's gallon jar of pickles.

Wal-Mart priced it at \$2.97--a year's supply of pickles for less than \$3! "They were using it as a 'statement' item," says Pat Hunn, who calls himself the "mad scientist" of Vlasic's gallon jar. "Wal-Mart was putting it before consumers, saying, This represents what Wal-Mart's about. You can buy a stinkin' gallon of pickles for \$2.97. And it's the nation's number-one brand."

Therein lies the basic conundrum of doing business with the world's largest retailer. By selling a gallon of kosher dills for less than most grocers sell a quart, Wal-Mart may have provided a ser-vice for its customers. But what did it do for Vlasic? The pickle maker had spent decades convincing customers that they should pay a premium for its brand. Now Wal-Mart was practically giving them away. And the fevered buying spree that resulted distorted every aspect of Vlasic's operations, from farm field to factory to financial statement.

Indeed, as Vlasic discovered, the real story of Wal-Mart, the story that never gets told, is the story of the pressure the biggest retailer relentlessly applies to its suppliers in the name of bringing us "every day low prices." It's the story of what that pressure does to the companies Wal-Mart does business with, to U.S. manufacturing, and to the economy as a whole. That story can be found floating in a gallon jar of pickles at Wal-Mart.

Wal-Mart is not just the world's largest retailer. It's the world's largest company--bigger than ExxonMobil, General Motors, and General Electric. The scale can be hard to absorb. Wal-Mart sold \$244.5 billion worth of goods last year. It sells in three months what number-two retailer Home Depot sells in a year. And in its own category of general merchandise and groceries, Wal-Mart no longer has any real rivals. It does more business than Target, Sears, Kmart, J.C. Penney, Safeway, and Kroger combined. "Clearly," says Edward Fox, head of Southern Methodist University's J.C. Penney Center for Retailing Excellence, "Wal-Mart is more powerful than any retailer has ever been." It is, in fact, so big and so furtively powerful as to have become an entirely different order of corporate being.



Wal-Mart wields its power for just one purpose: to bring the lowest possible prices to its customers. At Wal-Mart, that goal is never reached. The retailer has a clear policy for suppliers: On basic products that don't change, the price Wal-Mart will pay, and will charge shoppers, must drop year after year. But what almost no one outside the world of Wal-Mart and its 21,000 suppliers knows is the high cost of those low prices. Wal-Mart has the power to squeeze profit-killing concessions from vendors. To survive in the face of its pricing demands, makers of everything from bras to bicycles to blue jeans have had to lay off employees and close U.S. plants in favor of outsourcing products from overseas.

Of course, U.S. companies have been moving jobs offshore for decades, long before Wal-Mart was a retailing power. But there is no question that the chain is helping accelerate the loss of American jobs to low-wage countries such as China. Wal-Mart, which in the late 1980s and early 1990s trumpeted its claim to "Buy American," has doubled its imports from China in the past five years alone, buying some \$12 billion in merchandise in 2002. That's nearly 10% of all Chinese exports to the United States.

One way to think of Wal-Mart is as a vast pipeline that gives non-U.S. companies direct access to the American market. "One of the things that limits or slows the growth of imports is the cost of establishing connections and networks," says Paul Krugman, the



Princeton University economist. "Wal-Mart is so big and so centralized that it can all at once hook Chinese and other suppliers into its digital system. So--wham!--you have a large switch to overseas sourcing in a period quicker than under the old rules of retailing."

Steve Dobbins has been bearing the brunt of that switch. He's president and CEO of Carolina Mills, a 75-year-old North Carolina company that supplies thread, yarn, and textile finishing to apparel makers--half of which supply Wal-Mart. Carolina Mills grew steadily until 2000. But in the past three years, as its customers have gone either overseas or out of business, it has shrunk from 17 factories to 7, and from 2,600 employees to 1,200. Dobbins's customers have begun to face imported clothing sold so cheaply to Wal-Mart that they could not compete even if they paid their workers nothing.

"People ask, 'How can it be bad for things to come into the U.S. cheaply? How can it be bad to have a bargain at Wal-Mart?' Sure, it's held inflation down, and it's great to have bargains," says Dobbins. "But you can't buy anything if you're not employed. We are shopping ourselves out of jobs."

The gallon jar of pickles at Wal-Mart became a devastating success, giving Vlasic strong sales and growth numbers--but slashing its profits by millions of dollars.

There is no question that Wal-Mart's relentless drive to squeeze out costs has benefited consumers. The giant retailer is at least partly responsible for the low rate of U.S. inflation, and a McKinsey & Co. study concluded that about 12% of the economy's productivity gains in the second half of the 1990s could be traced to Wal-Mart alone.

There is also no question that doing business with Wal-Mart can give a supplier a fast, heady jolt of sales and market share. But that fix can come with long-term consequences for the health of a brand and a business. Vlasic, for example, wasn't looking to build its brand on a gallon of whole pickles. Pickle companies make money on "the cut," slicing cucumbers into spears and hamburger chips. "Cucumbers in the jar, you don't make a whole lot of money there," says Steve Young, a former vice president of grocery marketing for pickles at Vlasic, who has since left the company.

At some point in the late 1990s, a Wal-Mart buyer saw Vlasic's gallon jar and started talking to Pat Hunn about it. Hunn, who has also since left Vlasic, was then head of Vlasic's Wal-Mart sales team, based in Dallas. The gallon intrigued the buyer. In sales tests, priced somewhere over \$3, "the gallon sold like crazy," says Hunn, "surprising us all." The Wal-Mart buyer had a brainstorm: What would happen to the gallon if they offered it nationwide and got it below \$3? Hunn was skeptical, but his job was to look for ways to sell pickles at Wal-Mart. Why not?

And so Vlasic's gallon jar of pickles went into every Wal-Mart, some 3,000 stores, at \$2.97, a price so low that Vlasic and Wal-Mart were making only a penny or two on a jar, if that. It was showcased on big pallets near the front of stores. It was an abundance of abundance. "It was selling 80 jars a week, on average, in every store," says Young. Doesn't sound like much, until you do the math: That's 240,000 gallons of pickles, just in gallon jars, just at Wal-Mart, every week. Whole fields of cucumbers were heading out the door.



## The Vlasic Stork

For Vlasic, the gallon jar of pickles became what might be called a devastating success. "Quickly, it started cannibalizing our non-Wal-Mart business," says Young. "We saw consumers who used to buy the spears and the chips in supermarkets buying the Wal-Mart gallons. They'd eat a quarter of a jar and throw the thing away when they got moldy. A family can't eat them fast enough."

The gallon jar reshaped Vlasic's pickle business: It chewed up the profit margin of the business with Wal-Mart, and of pickles generally. Procurement had to scramble to find enough pickles to fill the gallons, but the volume gave Vlasic strong sales numbers, strong growth numbers, and a powerful place in the world of pickles at Wal-Mart. Which accounted for 30% of Vlasic's business. But the company's profits from pickles had shriveled 25% or more, Young says--millions of dollars.

The gallon was hoisting Vlasic and hurting it at the same time.

Young remembers begging Wal-Mart for relief. "They said, 'No way,' " says Young. "We said we'll increase the price"--even \$3.49 would have helped tremendously--"and they said, 'If you do that, all the other products of yours we buy, we'll stop buying.' It was a clear threat." Hunn recalls things a little differently, if just as ominously: "They said, 'We want the \$2.97 gallon of pickles. If you don't do it, we'll see if someone else might.' I knew our competitors were saying to Wal-Mart, 'We'll do the \$2.97 gallons if you give us your other business.' " Wal-Mart's business was so indispensable to Vlastic, and the gallon so central to the Wal-Mart relationship, that decisions about the future of the gallon were made at the CEO level.

Finally, Wal-Mart let Vlastic up for air. "The Wal-Mart guy's response was classic," Young recalls. "He said, 'Well, we've done to pickles what we did to orange juice. We've killed it. We can back off.' " Vlastic got to take it down to just over half a gallon of pickles, for \$2.79. Not long after that, in January 2001, Vlastic filed for bankruptcy--although the gallon jar of pickles, everyone agrees, wasn't a critical factor.

By now, it is accepted wisdom that Wal-Mart makes the companies it does business with more efficient and focused, leaner and faster. Wal-Mart itself is known for continuous improvement in its ability to handle, move, and track merchandise. It expects the same of its suppliers. But the ability to operate at peak efficiency only gets you in the door at Wal-Mart. Then the real demands start. The public image Wal-Mart projects may be as cheery as its yellow smiley-face mascot, but there is nothing genial about the process by which Wal-Mart gets its suppliers to provide tires and contact lenses, guns and underarm deodorant at every day low prices. Wal-Mart is legendary for forcing its suppliers to redesign everything from their packaging to their computer systems. It is also legendary for quite straightforwardly telling them what it will pay for their goods.

"We are one of Wal-Mart's biggest suppliers, and they are our biggest customer, by far. We have a great relationship. That's all I can say. Are we done now?"

John Fitzgerald, a former vice president of Nabisco, remembers Wal-Mart's reaction to his company's plan to offer a 25-cent newspaper coupon for a large bag of Lifesavers in advance of Halloween. Wal-Mart told Nabisco to add up what it would spend on the promotion--for the newspaper ads, the coupons, and handling--and then just take that amount off the price instead. "That isn't necessarily good for the manufacturer," Fitzgerald says. "They need things that draw attention."

It also is not unheard of for Wal-Mart to demand to examine the private financial records of a supplier,

and to insist that its margins are too high and must be cut. And the smaller the supplier, one academic study shows, the greater the likelihood that it will be forced into damaging concessions. Melissa Berryhill, a Wal-Mart spokeswoman, disagrees: "The fact is Wal-Mart, perhaps like no other retailer, seeks to establish collaborative and mutually beneficial relationships with our suppliers."

For many suppliers, though, the only thing worse than doing business with Wal-Mart may be not doing business with Wal-Mart. Last year, 7.5 cents of every dollar spent in any store in the United States (other than auto-parts stores) went to the retailer. That means a contract with Wal-Mart can be critical even for the largest consumer-goods companies. Dial Corp., for example, does 28% of its business with Wal-Mart. If Dial lost that one account, it would have to double its sales to its next nine customers just to stay even. "Wal-Mart is the essential retailer, in a way no other retailer is," says Gib Carey, a partner at Bain & Co., who is leading a yearlong study of how to do business with Wal-Mart. "Our clients cannot grow without finding a way to be successful with Wal-Mart."

Many companies and their executives frankly admit that supplying Wal-Mart is like getting into the company version of basic training with an implacable Army drill sergeant. The process may be unpleasant. But there can be some positive results.

"Everyone from the forklift driver on up to me, the CEO, knew we had to deliver [to Wal-Mart] on time. Not 10 minutes late. And not 45 minutes early, either," says Robin Prever, who was CEO of Saratoga Beverage Group from 1992 to 2000, and made private-label water sold at Wal-Mart. "The message came through clearly: You have this 30-second delivery window. Either you're there, or you're out. With a customer like that, it changes your organization. For the better. It wakes everybody up. And all our customers benefited. We changed our whole approach to doing business."

But you won't hear evenhanded stories like that from Wal-Mart, or from its current suppliers. Despite being a publicly traded company, Wal-Mart is intensely private. It declined to talk in detail about its relationships with its suppliers for this story. More strikingly, dozens of companies contacted declined to talk about even the basics of their business with Wal-Mart.

Here, for example, is an executive at Dial: "We are one of Wal-Mart's biggest suppliers, and they are our biggest customer by far. We have a great relationship. That's all I can say. Are we done now?" Goaded a bit, the executive responds with an almost hysterical edge: "Are you meshuga? Why in the world would we talk about Wal-Mart? Ask me about anything else, we'll talk. But not Wal-Mart."

No one wants to end up in what is known among Wal-Mart vendors as the "penalty box"--punished, or

even excluded from the store shelves, for saying something that makes Wal-Mart unhappy. (The penalty box is normally reserved for vendors who don't meet performance benchmarks, not for those who talk to the press.)

"You won't hear anything negative from most people," says Paul Kelly, founder of Silvermine Consulting Group, a company that helps businesses work more effectively with retailers. "It would be committing suicide. If Wal-Mart takes something the wrong way, it's like Saddam Hussein. You just don't want to piss them off."

As a result, this story was reported in an unusual way: by speaking with dozens of people who have spent years selling to Wal-Mart, or consulting to companies that sell to Wal-Mart, but who no longer work for companies that do business with Wal-Mart. Unless otherwise noted, the companies involved in the events they described refused even to confirm or deny the basics of the events.

To a person, all those interviewed credit Wal-Mart with a fundamental integrity in its dealings that's unusual in the world of consumer goods, retailing, and groceries. Wal-Mart does not cheat suppliers, it keeps its word, it pays its bills briskly. "They are tough people but very honest; they treat you honestly," says Peter Campanella, who ran the business that sold Corning kitchenware products, both at Corning and then at World Kitchen. "It was a joke to do business with most of their competitors. A fiasco."

But Wal-Mart also clearly does not hesitate to use its power, magnifying the Darwinian forces already at work in modern global capitalism.

Caught in the Wal-Mart squeeze, Huffy didn't just relinquish profits to keep its commitment to the retailer. It handed those profits to the competition.

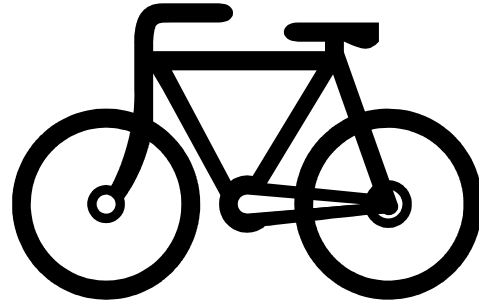
What does the squeeze look like at Wal-Mart? It is usually thoroughly rational, sometimes devastatingly so.

John Mariotti is a veteran of the consumer-products world—he spent nine years as president of Huffy Bicycle Co., a division of Huffy Corp., and is now chairman of World Kitchen, the company that sells Oxo, Revere, Corning, and Ekco brand housewares.

He could not be clearer on his opinion about Wal-Mart: It's a great company, and a great company to do business with. "Wal-Mart has done more good for America by several thousand orders of magnitude than they've done bad," Mariotti says. "They have raised the bar, and raised the bar for everybody."

Mariotti describes one episode from Huffy's relationship with Wal-Mart. It's a tale he tells to illustrate an admiring point he makes about the retailer. "They demand you do what you say you are going to do." But it's also a classic example of the damned-if-you-do, damned-if-you-don't Wal-Mart

squeeze. When Mariotti was at Huffy throughout the 1980s, the company sold a range of bikes to Wal-Mart, 20 or so models, in a spread of prices and profitability. It was a leading manufacturer of bikes in the United States, in places like Ponca City, Oklahoma; Celina, Ohio; and Farmington, Missouri.



One year, Huffy had committed to supply Wal-Mart with an entry-level, thin-margin bike—as many as Wal-Mart needed. Sales of the low-end bike took off. "I woke up May 1"—the heart of the bike production cycle for the summer—"and I needed 900,000 bikes," he says. "My factories could only run 450,000." As it happened, that same year, Huffy's fancier, more-profitable bikes were doing well, too, at Wal-Mart and other places. Huffy found itself in a bind.

With other retailers, perhaps, Mariotti might have sat down, renegotiated, tried to talk his way out of the corner. Not with Wal-Mart. "I made the deal up front with them," he says. "I knew how high was up. I was duty-bound to supply my customer." So he did something extraordinary. To free up production in order to make Wal-Mart's cheap bikes, he gave the designs for four of his higher-end, higher-margin products to rival manufacturers. "I conceded business to my competitors, because I just ran out of capacity," he says. Huffy didn't just relinquish profits to keep Wal-Mart happy—it handed those profits to its competition. "Wal-Mart didn't tell me what to do," Mariotti says.

"They didn't have to." The retailer, he adds, "is tough as nails. But they give you a chance to compete. If you can't compete, that's your problem."

In the years since Mariotti left Huffy, the bike maker's relationship with Wal-Mart has been vital (though Huffy Corp. has lost money in three out of the last five years). It is the number-three seller of bikes in the United States. And Wal-Mart is the number-one retailer of bikes. But here's one last statistic about bicycles: Roughly 98% are now imported from places such as China, Mexico, and Taiwan. Huffy made its last bike in the United States in 1999.

As Mariotti says, Wal-Mart is tough as nails. But not every supplier agrees that the toughness is always accompanied by fairness. The Lovable Company was founded in 1926 by the grandfather of Frank Garson II, who was Lovable's last president. It did business with Wal-Mart, Garson says, from the

earliest days of founder Sam Walton's first store in Bentonville, Arkansas. Lovable made bras and lingerie, supplying retailers that also included Sears and Victoria's Secret. At one point, it was the sixth-largest maker of intimate apparel in the United States, with 700 employees in this country and another 2,000 at eight factories in Central America.



Eventually Wal-Mart became Lovable's biggest customer. "Wal-Mart has a big pencil," says Garson. "They have such awesome purchasing power that they write their own ticket. If they don't like your prices, they'll go vertical and do it themselves--or they'll find someone that will meet their terms."

In the summer of 1995, Garson asserts, Wal-Mart did just that. "They had awarded us a contract, and in their wisdom, they changed the terms so dramatically that they really reneged." Garson, still worried about litigation, won't provide details. "But when you lose a customer that size, they are irreplaceable."

Lovable was already feeling intense cost pressure. Less than three years after Wal-Mart pulled its business, in its 72nd year, Lovable closed. "They leave a lot to be desired in the way they treat people," says Garson. "Their actions to pulverize people are unnecessary. Wal-Mart chewed us up and spit us out."

Believe it or not, American business has been through this before. The Great Atlantic & Pacific Tea Co., the grocery-store chain, stood astride the U.S. market in the 1920s and 1930s with a dominance that has likely never been duplicated. At its peak, A&P had five times the number of stores Wal-Mart has now (although much smaller ones), and at one point, it owned 80% of the supermarket business. Some of the antipredatory-pricing laws in use today

were inspired by A&P's attempts to muscle its suppliers.

There is very little academic and statistical study of Wal-Mart's impact on the health of its suppliers and virtually nothing in the last decade, when Wal-Mart's size has increased by a factor of five. This while the retail industry has become much more concentrated. In large part, that's because it's nearly impossible to get meaningful data that would allow researchers to track the influence of Wal-Mart's business on companies over time. You'd need cooperation from the vendor companies or Wal-Mart or both--and neither Wal-Mart nor its suppliers are interested in sharing such intimate detail.

Bain & Co., the global management consulting firm, is in the midst of a project that asks, How does a company have a healthy relationship with Wal-Mart? How do you avoid being sucked into the vortex? How do you maintain some standing, some leverage of your own?

This July, in a mating that had the relieved air of lovers who had too long resisted embracing, Levi Strauss rolled blue jeans into every Wal-Mart in the United States.

Bain's first insights are obvious, if not easy. "Year after year," Carey, a partner at Bain & Co., says, "for any product that is the same as what you sold them last year, Wal-Mart will say, 'Here's the price you gave me last year. Here's what I can get a competitor's product for. Here's what I can get a private-label version for. I want to see a better value that I can bring to my shopper this year. Or else I'm going to use that shelf space differently.'"

Carey has a friend in the umbrella business who learned that. One year, because of costs, he went to Wal-Mart and asked for a 5% price increase. "Wal-Mart said, 'We were expecting a 5% decrease. We're off by 10%. Go back and sharpen your pencil.' " The umbrella man scrimped and came back with a 2% increase. "They said, 'We'll go with a Chinese manufacturer'--and he was out entirely."

The Wal-Mart squeeze means vendors have to be as relentless and as microscopic as Wal-Mart is at managing their own costs. They need, in fact, to turn themselves into shadow versions of Wal-Mart itself. "Wal-Mart won't necessarily say you have to reconfigure your distribution system," says Carey. "But companies recognize they are not going to maintain margins with growth in their Wal-Mart business without doing it."

The way to avoid being trapped in a spiral of growing business and shrinking profits, says Carey, is to innovate. "You need to bring Wal-Mart new products--products consumers need. Because with those, Wal-Mart doesn't have benchmarks to drive you down in price. They don't have historical data, you don't have competitors, they haven't bid the



products out to private-label makers. That's how you can have higher prices and higher margins."

Reasonable advice, but not universally useful. There has been an explosion of "innovation" in toothbrushes and toothpastes in the past five years, for instance; but a pickle is a pickle is a pickle.

Bain's other critical discovery is that consumers are often more loyal to product companies than to Wal-Mart. With strongly branded items people develop a preference for--things like toothpaste or laundry detergent--Wal-Mart rarely forces shoppers to switch to a second choice. It would simply punish itself by seeing sales fall, and it won't put up with that for long.

But as Wal-Mart has grown in market reach and clout, even manufacturers known for nurturing premium brands may find themselves overpowered. This July, in a mating that had the relieved air of lovers who had too long resisted embracing, Levi Strauss rolled blue jeans into every Wal-Mart doorway in the United States: 2,864 stores. Wal-Mart, seeking to expand its clothing business with more fashionable brands, promoted the clothes on its in-store TV network and with banners slipped over the security-tag detectors at exit doors.

Levi's launch into Wal-Mart came the same summer the clothes maker celebrated its 150th birthday. For a century and a half, one of the most recognizable names in American commerce had survived without Wal-Mart. But in October 2002, when Levi Strauss and Wal-Mart announced their engagement, Levi was shrinking rapidly. The pressure on Levi goes back 25 years--well before Wal-Mart was an influence. Between 1981 and 1990, Levi closed 58 U.S. manufacturing plants, sending 25% of its sewing overseas.

Sales for Levi peaked in 1996 at \$7.1 billion. By last year, they had spiraled down six years in a row, to \$4.1 billion; through the first six months of 2003, sales dropped another 3%. This one account--selling jeans to Wal-Mart--could almost instantly revive Levi.

Last year, Wal-Mart sold more clothing than any other retailer in the country. It also sold more pairs of jeans than any other store. Wal-Mart's own inexpensive house brand of jeans, Faded Glory, is estimated to do \$3 billion in sales a year, a house brand nearly the size of Levi Strauss. Perhaps most revealing in terms of Levi's strategic blunders: In 2002, half the jeans sold in the United States cost less than \$20 a pair. That same year, Levi didn't offer jeans for less than \$30.

For much of the last decade, Levi couldn't have qualified to sell to Wal-Mart. Its computer systems were antiquated, and it was notorious for delivering clothes late to retailers. Levi admitted its on-time delivery rate was 65%. When it announced the deal with Wal-Mart last year, one fashion-industry analyst

bluntly predicted Levi would simply fail to deliver the jeans.

But Levi Strauss has taken to the Wal-Mart Way with the intensity of a near-death religious conversion--and Levi's executives were happy to talk about their experience getting ready to sell at Wal-Mart. One hundred people at Levi's headquarters are devoted to the new business; another 12 have set up in an office in Bentonville, near Wal-Mart's headquarters, where the company has hired a respected veteran Wal-Mart sales account manager.

Getting ready for Wal-Mart has been like putting Levi on the Atkins diet. It has helped everything--customer focus, inventory management, speed to market. It has even helped other retailers that buy Levis, because Wal-Mart has forced the company to replenish stores within two days instead of Levi's previous five-day cycle.

And so, Wal-Mart might rescue Levi Strauss. Except for one thing.



Levi didn't actually have any clothes it could sell at Wal-Mart. Everything was too expensive. It had to develop a fresh line for mass retailers: the Levi Strauss Signature brand, featuring Levi Strauss's name on the back of the jeans.

Two months after the launch, Levi basked in the honeymoon glow. Overall sales, after falling for the first six months of 2003, rose 6% in the third quarter; profits in the summer quarter nearly doubled. All, Levi's CEO said, because of Signature.

"They are all very rational people. And they had a good point. Everyone was willing to pay more for a Master Lock. But how much more can they justify?"

But the low-end business isn't a business Levi is known for, or one it had been particularly interested in. It's also a business in which Levi will find itself competing with lean, experienced players such as VF and Faded Glory. Levi's makeover might so improve its performance with its non-Wal-Mart suppliers that its established business will thrive, too. It is just as likely that any gains will be offset by the competitive pressures already dissolving Levi's premium brands, and by the cannibalization of its own sales. "It's hard to see how this relationship will boost Levi's higher-

end business," says Paul Farris, a professor at the University of Virginia's Darden Graduate School of Business Administration. "It's easy to see how this will hurt the higher-end business."

If Levi clothing is a runaway hit at Wal-Mart, that may indeed rescue Levi as a business. But what will have been rescued? The Signature line--it includes clothing for girls, boys, men, and women--is an odd departure for a company whose brand has long been an American icon. Some of the jeans have the look, the fingertip feel, of pricier Levis. But much of the clothing has the look and feel it must have, given its price (around \$23 for adult pants): cheap. Cheap and disappointing to find labeled with Levi Strauss's name. And just five days before the cheery profit news, Levi had another announcement: It is closing its last two U.S. factories, both in San Antonio, and laying off more than 2,500 workers, or 21% of its workforce. A company that 22 years ago had 60 clothing plants in the United States--and that was known as one of the most socially responsible corporations on the planet--will, by 2004, not make any clothes at all. It will just import them.

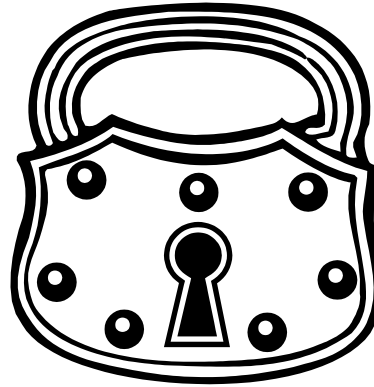
In the end, of course, it is we as shoppers who have the power, and who have given that power to Wal-Mart. Part of Wal-Mart's dominance, part of its insight, and part of its arrogance, is that it presumes to speak for American shoppers.

If Wal-Mart doesn't like the pricing on something, says Andrew Whitman, who helped service Wal-Mart for years when he worked at General Foods and Kraft, they simply say, "At that price we no longer think it's a good value to our shopper. Therefore, we don't think we should carry it."

Wal-Mart has also lulled shoppers into ignoring the difference between the price of something and the cost. Its unending focus on price underscores something that Americans are only starting to realize about globalization: Ever-cheaper prices have consequences. Says Steve Dobbins, president of thread maker Carolina Mills: "We want clean air, clear water, good living conditions, the best health care in the world--yet we aren't willing to pay for anything manufactured under those restrictions."

Randall Larrimore, a former CEO of MasterBrand Industries, the parent company of Master Lock, understands that contradiction too well. For years, he says, as manufacturing costs in the United States rose, Master Lock was able to pass them along. But at some point in the 1990s, Asian manufacturers started producing locks for much less. "When the difference is \$1, retailers like Wal-Mart would prefer to have the brand-name padlock or faucet or hammer," Larrimore says. "But as the spread becomes greater, when our padlock was \$9, and the import was \$6, then they can offer the consumer a real discount by carrying two lines. Ultimately, they may only carry one line."

In January 1997, Master Lock announced that, after 75 years making locks in Milwaukee, it would begin importing more products from Asia. Not too long after, Master Lock opened a factory of its own in Nogales, Mexico. Today, it makes just 10% to 15% of its locks in Milwaukee--its 300 employees there mostly make parts that are sent to Nogales, where there are now 800 factory workers.



Larrimore did the first manufacturing layoffs at Master Lock. He negotiated with Master Lock's unions himself. He went to Bentonville. "I loved dealing with Wal-Mart, with Home Depot," he says. "They are all very rational people. There wasn't a whole lot of room for negotiation. And they had a good point. Everyone was willing to pay more for a Master Lock. But how much more can they justify? If they can buy a lock that has arguably similar quality, at a cheaper price, well, they can get their consumers a deal."



It's Wal-Mart in the role of Adam Smith's invisible hand. And the Milwaukee employees of Master Lock who shopped at Wal-Mart to save money helped that hand shove their own jobs right to Nogales. Not consciously, not directly, but inevitably. "Do we as consumers appreciate what we're doing?" Larrimore asks. "I don't think so. But even if we do, I think we say, Here's a Master Lock for \$9, here's another lock for \$6--let the other guy pay \$9."

Charles Fishman ([cnfish@mindspring.com](mailto:cnfish@mindspring.com)) is a senior writer at *Fast Company*. Andrew Moesel provided research assistance for this story.

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## Telus Troubles

# Telus Violates Labour Code

(From a contact on my email account. Editor)

Hi All,

Due to a recent family illness and loss I have not been out to the PGS meetings and actions as much as I would like. I have been keeping up with all the emails (forwarding to my contacts) and appreciate the information updates.

Something that you wish to add to your list of impending labour struggles....

The Telecommunications Workers Union (TWU) and Telus are at an impasse in the negotiations that have been ongoing for 3+ years. The Company of course wants to re-negotiate the entire contract (start with a blank sheet), more likely they would just rather rid themselves of the TWU. We in the Union are remaining solid in our position of protecting our 'Job Security' and 'Contracting Out' clauses, it is definitely NOT about money.



We are at the tail end of a strike vote by our members in Alberta & BC, the results will be released Thursday Jan 29 at 1:30pm. The feeling is we will get a vote in the high 90's, a 72-hour strike notice will be filed immediately after the vote is announced allowing us to officially proclaim job action (overtime ban, work-to-rule) to turn the heat up on Telus management. We will probably not incite

a work stoppage, rather let the company start the 'dance' with a lockout (just what their already-dissatisfied customers needs, they have already pissed off everyone...no use us getting ours shoes dirty just yet). As in the past conflicts, we will be employing our TWU flying pickets all over the place, wherever there is a 'scab' working we will be picketing, imploring that the workers inside either kick the 'bastards' out or walk out in support. That support is most welcome.

I included an article from the Globe & Mail concerning the 'unfair labour practice' ruling by the CIRB that went against Telus, one of many (so sad, too bad).

It is much appreciated if you all could pass any info regarding this situation to your contacts.

**In Solidarity,  
Jim Brown  
TWU Local 30.**

## Telus Corp. has violated the Canada Labour Code,

**the Canadian Industrial Relations Board said in an interim decision Wednesday.**

### Globe and Mail

As a result, the board said Telus has to offer the Telecommunications Workers Union the option of "binding arbitration." This comes after more than three years of bargaining, during which neither side has really budged from their initial positions.

Vancouver-based Telus, a telephone company, is locked in protracted contract negotiations with the Telecommunications Workers Union, which represents about half of Telus's 19,500 fixed-line workers.

The labour relations board, based on a union complaint, decided that Telus has "irreparably undermined the union's efforts in achieving a collective agreement." The reason is that Telus communicated directly with union members this month, while bargaining was still ongoing. The board said Telus went "beyond a statement of its position" and undermined "the union's position vis-à-vis its members."

All of this happens as the union prepares to release the results of a strike vote Thursday at 1:30 p.m. Pacific. Last time the union had a strike vote, which has since expired, 84.5 per cent of workers who voted were in favour.

A strike or lockout could occur as early as next week, Feb. 3, 2004.



## **CEP SCHOLARSHIP PROGRAM**

Twelve scholarships worth \$2,000 each in honor of L.H. Lorrain, George Hutchens, Evelyn McGarr and Peter Klym are each year made available to members and children of members pursuing full time post-secondary education at a recognized institution such as university, college, CEGEP, technical or other schools.

The scholarships are available to students who **HAVE COMPLETED THEIR SECONDARY STUDIES** (11th or 12th grade, Secondary V) and enter or undertake **POST-SECONDARY STUDIES** at college, university, CEGEP or technological institutes. The following applicants are eligible:

- CEP members in good standing;
- Children of CEP members in good standing;
- Children of CEP members who passed away while in good standing;
- Children of CEP members who retired in good standing.

The selection of successful applicants will be made by a person appointed by the President on behalf of the Executive Board. Selections made by that person will be final.

**Applicants must complete the attached CEP scholarship form, have it signed by a CEP Local Union Officer and send it to Communications, Energy and Paperworkers Union of Canada (Scholarships), 301 Laurier Avenue West, Ottawa, ON K1P 6M6.**

**The applicant must also submit with the application an essay of 1,500 to 2,000 words on the topic: "What the labour movement means to me" no later than March 31, 2004.**

**The application form must also be accompanied by the most recent student transcript of the applicant.**

**There will be no acknowledgement of receipt but all the applicants will be contacted at the end of August or very early in September to let them know whether they have been chosen for an award or not.**

The successful candidates will meet with an officer of the Communications, Energy and Paperworkers Union or such person delegated by him, to finalize all financial arrangements and make provisions for a review of a mid-term progress report.

## CEP SCHOLARSHIP APPLICATION FORM

NAME: (MR. - MRS. - MISS – MS.)

DATE OF BIRTH:

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ADDRESS:

PHONE NO.:

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NAME OF PARENT OR GUARDIAN: 

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MEMBER OF LOCAL UNION #:

NAME OF THE COMPANY: 

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PLANS FOR FURTHER EDUCATION

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SIGNATURE OF CEP LOCAL UNION OFFICER:

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## Grievance Report

# And Things Just Keep Moving ON...

by Don Klie

Standing Committee has met on January 21<sup>st</sup> and February 11, 2004. At the first meeting of the year the Company provided the Union a copy of its policy regarding progressive discipline and attendance. The Union responded to these two policies as follows:

**Re: Progressive Discipline Policy****Dear Doug:**

You have provided the Union with a Company document entitled "Progressive Discipline Policy". This document was unilaterally issued by the Employer and in no way constitutes an agreement with the Union or its members. Further, the policy contains a number of significant errors.

The most significant error arises from the Employer's fundamental misunderstanding of the role and responsibility of the Union.

As you acknowledge, the collective agreement requires the presence of a shop steward at each step of the progressive discipline process whenever an investigative interview is conducted. The Union's position is that any failure of the Employer to comply with that mandatory requirement voids any discipline imposed by the Employer as a consequence.

In two occasions, the policy states that the role of the shop steward in representing the Employer is as a "witness". There is no such restriction in the collective agreement and the role of the shop steward at such meetings is to represent the members of the Union. This role includes, but is not limited to:

- ensuring that Employer conduct is fair;
- advising the member, including taking caucuses when necessary;
- ensuring that any questions are clear and understood; and
- ensuring that the Employer has advised the employee of the nature of the allegations or investigation.

This role is not a matter for the discretion of the supervisor but constitutes a fundamental Union right under the *Labour Relations Code* and the collective agreement.

However, it is clear that the role of the management representative at the meeting is as a witness for the Employer. The Union does not accept that the notes of that individual constitute an accurate

record of all pertinent information unless that record is produced to and agreed to by the Union.

and

**Re: Attendance Management Policy****Dear Doug:**

You have provided the Union with a Company document entitled "Attendant Management Policy". This document was unilaterally produced by the Employer and does not represent an agreement with the Union.

The Employer ignored the provisions of the collective agreement in instituting this policy. The parties have reached express agreement on the reporting requirements of tour workers in Article VI(4)(a) where the collective agreement states:

If unavoidably prevented from reporting, he must give notice to a supervisor, or at the office, if reasonably possible, at least four (4) hours before his tour goes on duty.

That is, the parties agreed that a tour worker must give notice if unavoidably prevented from reporting to either his supervisor or the office at least four hours before the start of his tour. The policy issued by the Employer ignores the alternative of notice to the office and the four hour provision. That is, there is no requirement in the collective agreement that an employee inform his immediate supervisor or leave a voice mail at the supervisor's local if the worker has informed the office of his absence. In addition, the policy ignores the fact that notice must only be given "if reasonably possible". That is, the parties have recognized in the collective agreement that there can be circumstances where such notice is not reasonably possible. The Union's position is that exception applies for all bargaining unit members.

The policy also directs that any employee who has been absent, or is late, must report to his immediate supervisor before commencing work. However, the Union emphasizes that in those circumstances, the tour worker has reported for his regular shift and his mate from the previous tour is under no obligation to remain at his post while the employee who is late or returning from absence locates and reports to the supervisor.

**Yours truly,  
Don Klie  
President  
CEP Local 298**

In response to a number of union grievances (Kenny, O'Halligan, CEP Local 298) regarding

flexible work practices the Company proposed forming a committee to discuss the issues a bit more in-depth than Standing Committee could. Frank Verde, Dan Belleville and Jack McCamy (absent) were the members from the Union meeting with Wayne Muzykowski, Wade Hoyles and Doug Petersen representing the Company. Frank Verde noted the following comments:

...To make a long story short the meeting was about sending the union a message that they [*the Company*] want to get along and do business differently. They were actually asking us for ideas, and of course we gave them most of our previous positions, i.e.: trades assist, safety, training etc...we also asked Wayne to talk to the crews and get their input; he is willing to do that. I asked them to assign jobs in a common-sense business-sense manner; they agreed that is what has to be done. Wayne said that we should continue with these meetings, he also said that he himself will not be able to start this right away, because of all the recent problems in the Mill, he is up to his neck with warranty and liability issues etc...I truly believe they are going to make an honest attempt. One other thing, we asked them to aim for long term to get results and they seemed to think so. Wayne, as an example, informed us that they would be hiring two carpenter type trades instead of one; they realized their buildings are in bad shape.

Listed below are the grievances currently being discussed and their status. If anyone has a grievance that is not listed or wishes more information please contact one of the representatives on Standing Committee or myself. Please note that several grievances are currently at fact finding but have not yet been listed here.

### **Grievances at Arbitration**

**Trina Martin** – filed Nov. 1/01 – case #01-49 – unjust discipline; insubordination, indefinite suspension and two-day suspension.

**CEP Local 298** – filed Nov. 14/01 – case #01-53 – unjust discipline, “Do-not-rehire” put on employees’ file after employee laid-off. Arbitration date Oct. 20 & 21, 2003. In a preliminary ruling the arbitrator has determined that she does not have jurisdiction to hear the case of J. Contumelias. The arbitrator noted that Ms. Contumelias was not disciplined during her term of employment in 2000 and that there was no DNR on her file, merely that Ms. Contumelias was placed farther down the hiring list. However, the arbitrator ruled that J. Begin had the right to representation and has directed the parties to exchange particulars and any relevant documents and if they are unable to reach a resolve then the matter can go back to arbitration. **The Union has**

**appealed this decision to the LRB and are currently waiting for a ruling which is expected by the end of the month.**

**Joe Rego, Gus Stamatakis, Ernesto Carreiro** – filed Oct. 15/02 – case #02-62 – violation of wage rates.

**CEP Local 298** – filed Jan. 4/02 – case #02-05 – Seniority and Job Transfer violation, Steam Plant/Pulpmill Joint Utility Pool.

### **Grievances at Standing Committee**

**John Kenny** – filed Nov. 22/01 – case #01-67 – - unjust discipline, violation of Safety agreement.

**The Company has offered to meet with three union representatives during the week of Jan. 12<sup>th</sup> to discuss the issues of this grievance.**

**Ed O'Halligan** – filed Nov. 22/01 – case #01-68 – unjust discipline, violation of Safety agreement. **The Company has offered to meet with three union representatives during the week of Jan. 12<sup>th</sup> to discuss the issues of this grievance.**

**CEP Local 298** – filed May 28/02 – case #02-48 – Safety and flexibility violation; supervisor assigning work to instrument mechanic who didn't have the necessary training to do the work. **The Company has offered to meet with three union representatives during the week of Jan. 12<sup>th</sup> to discuss the issues of this grievance.**

**Dennis Urbanowski** – filed June 27/02 – case #02-55 – C/O violation, “stick in the eye” – flexibility.

**Carlos Eguia** – filed Nov. 18/02 – case #02-73 – O/T distribution violation.

**CEP Local 298** – filed Apr. 30/03 – case #03-16 – unjust discipline – J. Ventura re: train collision.

**C.E.P. Local 298** – filed Jan. 21/04 – case #04-01 – seniority violation for Production Tech Job Posting.

### **Grievances at Fact Finding**

**John Miller** – filed Dec 17/02 – case #02-79 – Failure to Notify; slaker scaffold.

**John Miller** – filed Dec. 17/02 – case #02-80 – C/O violation – fabrication of sewer grizzly for main breezeway; failure to notify.

**L. N. Foulds** – filed Jan. 22/03 – case #03-02 – violation of Light Duty provisions.

**Elaine Roik** – filed Feb. 28/03 – case #03-08 – Seniority rights violation and excessive shift changes.

**Schikowski, Dudra and C. Gardner** – filed Mar. 3/03 – case #03-17 – O/T and C/O violation.

**Jack McCamy** – filed Mar 7/03 – case #03-09 – Steam Plant/Pulp Mill utility position violation.

**Arnie Postman** – filed Mar. 17/03 – case #03-10 – Safety and training violation.

**Shari Thomas** – filed Apr. 17/03 – case #03-11 – staff doing hourly work.

**Tony Grant** – filed May 12/03 – case #03-14 – unjust discipline.

**Elvis Resendes** – filed Oct. 23/03 – O/T distribution violation; failure to follow call-list.

**CEP Local 298** – filed Nov. 10/03 – case #03-22 – C/O violation; contracting out the hauling of domestic garbage without notice.

**CEP Local 298** – filed Nov. 10/03 – case #03-23 – C/O violation; contracting out to Rain Coast Cranes without notice.

**CEP Local 298** – filed Nov. 10/03 – case #03-25 – C/O violation; contracting out boom-lift truck without notice.

**CEP Local 298** – filed Nov. 10/03 – case #03-24 – employer wrongfully seizing the Union's and employees' possessions without permission or notice.

**CEP Local 298** – filed Nov. 12/03 – case #02-21 – C/O violation; the Company giving annual notice of contracting certain jobs instead of each time there is a requirement for the work to be contracted out, i.e.: radio repair, cranes, hydro mechanical, etc.

**CEP Local 298** – filed Oct. 16/03 – case #03-26 – violation of the Code of Ethics; Northwest Fuels (Petrocan) crossing picket line during strike.

**CEP Local 298** – filed Dec. 31/04 – case #03-27 – qualifications for entry position into Stores.

### **Completed Grievances**

**Jason Smith** – filed Dec 19/02 – case #02-78 – Failure to provide work as per Rehab and Reintegration Program and Light Duty. **Resolved at fact finding; Company agreed to pay out the difference in wages and WI. COMPLETE.**

**Elvis Resendes** – filed Feb. 10/03 – case #03-03 – O/T distribution violation. **Resolved; the Company agreed to offer "in-kind remedy" of 12 hours O/T. COMPLETE.**

**Kevin Gentile** – filed Feb 17/03 – case #03-05 – Chemical employee doing union work. **Resolved; the Company agreed to offer "in-kind remedy" of 12 hours O/T to E. Resendes. COMPLETE.**

**Jason Smith** – filed Feb. 19/03 – case #03-13 – Discrimination. **Resolved at fact finding with the resolution to previous grievance case #02-79. COMPLETE.**

**Claus Rosner** – filed April 24/03 – case #03-18 – failure to provide work. **Resolved; Company agreed to pay "2 and 2". COMPLETE.**

**CEP Local 298** – filed Nov. 11/03 – case #03-02 – violation of safety training; Union does not support the SAFOR program as a safety program. Union and Company are to comply with established safety rules as amended by the Joint Safety Committees. **Union repeated it's position opposing this program and withdrew grievance without precedence or prejudice- COMPLETE.**

**Brian Liberman** – filed Sept. 5/02 – case #02-56 – unjust discipline. **The Union withdrew the grievance without precedence or prejudice. COMPLETE.**

**Don Klie** – filed July 16/02 – case #02-58 – unjust discipline, verbal warning for alleged neglect of duty. **The Union withdrew the grievance without precedence or prejudice. COMPLETE.**

**Gord Mitchell** – filed Sept. 19,2002 – case #02-64 – violation of overtime distribution procedure.

**Resolved; the Company agreed to offer "in-kind remedy. COMPLETE.**

**Jaswant Dhillon** – filed Sept. 2002 – case #02-63 – violation of overtime distribution procedure.

**Resolved; the Company agreed to offer "in-kind remedy. COMPLETE.**

**Jasbir Virk** – filed Sept. 2002 – case #02-66 – violation of overtime distribution procedure.

**Resolved; the Company agreed to offer "in-kind remedy. COMPLETE.**

**Jose Rego and G. Ewanski** – filed Sept. 19/02 – case #02-70 – O/T distribution violation. **Resolved; the Company agreed to offer "in-kind remedy. COMPLETE.**

**Gary Riley** – filed Sept. 19/02 – case #02-71 – O/T distribution violation. **Resolved; the Company agreed to offer "in-kind remedy. COMPLETE.**

**Gus Stamatakis** – filed Sept. 28/02 – case #02-72 – O/T distribution violation. **Resolved; the Company agreed to offer "in-kind remedy. COMPLETE.**

**Ilona Kenny** – filed Nov. 17/02 – case #02-67 – supervisor harassing employee. **Resolved; the supervisor in question has voluntarily transferred to the planner position and the Company is providing further leadership training for its staff. COMPLETE.**

**John Miller** – filed Dec. 17/02 – case #02-68 – C/O violation – moving concrete block barricade. **With drawn without precedence or prejudice. COMPLETE.**

## **Virus alert**

### **Internet/CALM**

If you receive an email with the subject "Badtimes" delete it immediately. Do not open! It will erase everything on your hard drive and it also deletes anything on disks within 20 feet of your computer.

It demagnetizes the stripes on all of your credit cards.

It reprograms your ATM access code, screws up the tracking on your VCR and uses subspace field harmonics to scratch any CD's you attempt to play.

It re-calibrates your refrigerator's coolness settings so all your ice cream melts and your milk curdles.

It programs your phone autodial to call only your mother's number.

This virus mixes antifreeze into your fish tank.  
It drinks all your beer.

It leaves dirty socks on the coffee table when you are expecting company.

It rewrites your backup files, changing all your active verbs to passive tense and incorporates undetectable misspellings that grossly change the meaning of key sentences.

If the "Badtimes" message is opened in a Windows environment, it leaves the toilet seat up and places your plugged-in hair dryer dangerously near to your bathtub.

It removes the do-not-remove tags from your mattresses and pillows and changes your skim milk to homogenized.

It is insidious and subtle, dangerous and terrifying, and is a rather interesting shade of mauve.

## Martin appoints pro P3 ministers

FastFacts/CUPE/CALM

**Paul Martin** is a big fan of public private partnerships and has appointed a parliamentary secretary to push P3s.



John McKay was named parliamentary secretary to the minister of finance with special emphasis on P3s. He'll report to finance minister Ralph Goodale, known for being a fiscal conservative who favours corporate tax cuts over public services.

Minister of health Pierre Pettigrew showed little concern for protecting public services when he was international trade minister. Now he's the one to defend the principles of the Canada Health Act. At the same time, he'll serve as intergovernmental affairs minister, a post that's supposed to smooth relations with the provinces. It's difficult to believe he'll punish premiers like Campbell, Klein or Charest for encouraging the spread of private health care. Carolyn Bennett, a long-time supporter of Paul Martin and an advocate for a greater private sector role in

Canada's medicare system, joins Pettigrew as minister of state (public health).

Despite frequent promises by Paul Martin to deliver a "new deal" and pump more money into the country's ailing urban infrastructure, there is no cabinet minister dedicated to looking out for cities. Andy Scott has returned to cabinet as infrastructure minister, and former Vancouver mayor, and BC premier Mike Harcourt will head an advisory committee that will draft a "new deal" for cities. John Godfrey was named parliamentary secretary to the prime minister with special emphasis on cities.

The issues of equal rights for women and children are low on cabinet's priority, while issues of public security and defence are high. There are now two ministers of defence. Deputy prime minister Anne McLellan will take charge of "public safety and emergency preparedness." Meanwhile, children, youth, women and multiculturalism merit only two ministers of state-the lowest priority cabinet positions. Jean Augustine and Ethel Blondin-Andrew are in charge.

Claudette Bradshaw keeps her job as minister of labour. The new minister of transport, who will have to deal with the crisis at Air Canada, is Tony Valeri from Hamilton, where WestJet has a lot of clout.

## NDP on the rise

The Commonwealth/Saskatchewan NDP/CALM

**The New Democratic Party** is moving up while the right-wing vote continues to decline.

Across the country, more Canadians are voting for the NDP provincially because of an agenda of public health care, public utilities, public auto insurance and protecting workers' rights and the environment.

The increase in the New Democratic vote has become a trend in recent provincial elections across the country. The Saskatchewan NDP increased its popular vote to 44.5 per cent, and more people voted for the NDP in Manitoba, New Brunswick, Nova Scotia and Ontario than last time around.

As support for the NDP increases, the right-wing vote has gone down in nearly every election in the country in the past year. Since Jack Layton became leader a year ago, 9,000 new people have joined the NDP.

There is an extraordinary sense of excitement and enthusiasm at the riding level and the NDP is better prepared for the next election than it has been in previous years.

Having cleared the campaign debt last February, there's money in the bank for the upcoming election. As a result, the NDP will be able to run a campaign that will be 50 per cent larger than the largest campaign it has ever run.

## Chinese Workers Pay for Wal-Mart's Low Prices

### Retailer Squeezes Its Asian Suppliers to Cut Costs

By Peter S. Goodman and Philip P. Pan  
Washington Post Foreign Service  
Sunday, February 8, 2004; Page A01

**SHENZHEN, China** -- Inside the factory, amid clattering machinery and clouds of sawdust, men without earplugs or protective goggles feed wood into screaming electric saws, making cabinets for stereo speakers. Women hunch over worktables, many hands bandaged and few covered by gloves, pressing transistors into circuit boards.

Most of the 2,100 workers here are poor migrants from the countryside who have come to this industrial hub in southern China for jobs that pay about \$120 a month. A sign on the wall reminds them of their expendability in a nation with hundreds of millions of surplus workers: "If you don't work hard today, tomorrow you'll have to try hard to look for a job."

The calculations driving production here at Shenzhen Baoan Fenda Industrial Co. are no different from those governing global capitalism in general -- make more for less -- but it is applied with particular vigor on this shop floor. Sixty percent of the stereos coming off the line are for one customer: Wal-Mart Stores Inc., whose mastery at squeezing savings from its supply chain made it the world's largest company.

"The profit is really small," said Surely Huang, a factory engineer, speaking of the 350,000 stereos that Fenda agreed in March to supply to the retailer for \$30 to \$40 each. Huang said they sell for \$50 in the United States. "We have to constantly cut costs to satisfy Wal-Mart."

Yet this factory and thousands of others along China's east coast have decided, with China's leaders, that the deal is worth the price. Wal-Mart provides access to vastly more store shelves than they could ever reach by themselves, a way to build a brand from Fort Worth to Frankfurt. Meeting Wal-Mart's strict requirements could improve the factory's efficiency and make it easier to land contracts from other major retailers.

As capital scours the globe for cheaper and more malleable workers, and as poor countries seek multinational companies to provide jobs, lift production and open export markets, Wal-Mart and China have forged themselves into the ultimate joint venture, their symbiosis influencing the terms of labor and consumption the world over.

With sales of more than \$245 billion a year, Wal-Mart is the largest retailer in the United States, still the ultimate consumer market. China is the most populous country, with 1.3 billion people, most still poor enough to willingly move hundreds of miles from home for jobs that would be shunned by anyone with better prospects. The Communist Party government has become perhaps the world's greatest facilitator of capitalist production, beckoning multinational giants with tax-free zones and harsh punishment for anyone with designs on organizing a labor movement.

More than 80 percent of the 6,000 factories in Wal-Mart's worldwide database of suppliers are in China. Wal-Mart estimates it spent \$15 billion on Chinese-made products last year, accounting for nearly one-eighth of all Chinese exports to the United States. If the company that Sam Walton built with his "Made in America" ad campaign were itself a separate nation, it would rank as China's fifth-largest export market, ahead of Germany and Britain.

Back in its home market, Wal-Mart's vast appetite for Chinese imports has placed it at the center of a sharp debate over whether the influx of low-cost products from China is good for Americans.



Domestic manufacturers, labor groups and some politicians point to China's record trade surplus with the United States, estimated to have totaled \$120 billion last year, and accuse Beijing of manipulating its currency, condoning the exploitation of its workers and competing unfairly, resulting in the loss of U.S. manufacturing jobs.

But Chinese officials counter that nearly two-thirds of the country's exports are shipped from factories wholly or jointly owned by foreign investors, with Wal-Mart often cited as the prime example,



supplying Americans with a steady flow of low-cost, high-quality goods.

With its near-religious devotion to the pursuit of "everyday low prices," Wal-Mart illustrates why U.S.-based multinationals with operations here have not joined in the chorus for protectionism.

"For the benefit of the consumer, we should buy merchandise where we get the best value," said Andrew Tsuei, managing director of Wal-Mart's global procurement center in Shenzhen.

Joe Hatfield, president of Wal-Mart's Asia operations, noted that many of the goods his company buys in China -- toys, furniture, textiles and holiday ornaments -- have mostly not been made in the United States for years. The Bush administration has pressed China to increase the value of its currency, which some argue makes China's goods unfairly cheap on world markets. Hatfield rolled his eyes.

"That would be a travesty to do to the consumer in the United States," he said. "You do that and the cost of living is going to go up."

## 'Better Than Nothing'

For Wal-Mart and other multinational companies doing business in China, a stable currency, political peace and a compliant workforce are nearly as important as low costs.

"There might be places in other parts of the world where you can buy cheaper, but can you get [the product] on the ship?" Tsuei said. "If we have to look at a country that's not politically stable, you might not get your order on time. If you deal in a country where the currency fluctuates, everyday there is a lot of risk. China happens to have the right mix."

"If labor is cheaper in one nation companies will invest to take advantage of it. Living standards will grow & development will spread, all driven by the invisible hand of the market."



Free Market Fundamentalism

Labor activists in China and abroad say that mix includes the ruling party's ban on independent trade unions -- workers may join only the party-run union -- as well as courts and regulatory agencies controlled by local party officials who are often willing to overlook labor violations to appease businesses that can be milked for taxes, fees and bribes.

The activists argue that as Wal-Mart pits suppliers against one another and squeezes them for the lowest price, the workers suffer.

"Wal-Mart pressures the factory to cut its price, and the factory responds with longer hours or lower pay," said a Chinese labor official, who declined to be named for fear of punishment. "And the workers have no options."

In the city of Dongguan in southern Guangdong province, where Wal-Mart suppliers are concentrated, a 27-year-old worker who gave her name as Miss Qin complained that she can rarely afford meat with her \$75-per-month wages at Kaida Toy Co. "Every day we eat vegetables, mostly we eat vegetables," she said, leaning over a plate of fried carrots in a dingy restaurant.

Qin helps make plastic toy trains for Wal-Mart, but says she cannot afford to buy toys for her 9-year-old son. "In four years, they haven't increased the salary," she said.

Kong Xianghong, the No. 2 official for the party-run union in Guangdong province, acknowledged that low wages, long hours and poor conditions are common in factories that supply Wal-Mart and other U.S.-based corporations.

"It's better than nothing," he said. "Labor protections, working conditions and wages are related to a country's level of economic development. Of course, we want better labor protections, but we can't afford it. We need the jobs. We need to guarantee people can eat."

Still, Kong said, the party-controlled union has been frustrated that Wal-Mart has refused for three years to allow it to set up branches in the 31 Wal-Mart stores in China -- even though he has assured the company that the union wouldn't help workers struggle for better pay. Wal-Mart has also fought efforts to unionize its U.S. stores.

## Low Prices, High Cost

Wal-Mart's China headquarters is a monument to its frugality -- a low building covered in white tile. The linoleum conference table is pockmarked with gaps where the plywood shows through. Tea is served in plastic cups. In Hatfield's office, where he presides over Wal-Mart's Asia operations, the rusty window frame is open, the sound of car horns washing in from the street.

Wal-Mart portrays itself as a force for good in China. The company says it enforces labor standards for its suppliers and insists that they comply with Chinese law.

"We look at safety. We look at health, and this comes with a cost. We ensure people get paid above minimum wage. They have to have fire extinguishers, fire exits," Tsuei said. "There are people out there who cannot have those things and offer a lower price. We do not do business with those people."

Wal-Mart employs 100 auditors who annually inspect every supplier's factory. Last year, the company suspended deals with about 400 suppliers, primarily for exceeding limits on overtime, Tsuei said. Another 72 factories were blacklisted permanently last year, he said, almost all for employing children under China's legal working age of 16.

But Wal-Mart does not conduct regular inspections of smaller factories that sell goods to the company through middlemen. Nor does it inspect all its suppliers' subcontractors or the Chinese manufacturing operations of U.S. suppliers such as Mattel Inc. and Dell Inc.

"The inspection system is not effective," said Li Qiang, a labor organizer who has been in contact with workers at more than a dozen factories that supply Wal-Mart, and who worked in one himself before leaving China three years ago. "The factories are usually notified in advance, and they often prepare by cleaning up, creating fake time sheets and briefing workers on what to say."

Li said these factories often require employees to work as many as 80 hours per week during the busy season for \$75 to \$110 per month, violating Chinese labor laws. If Wal-Mart really wanted to monitor conditions among its suppliers, Li said, it could do so with surprise visits, longer inspections and independent auditors. "But if they did that, prices would definitely go up," he said.

## Suppliers Find a Big Market

Wal-Mart is such a big player in China that it does not have to go looking for suppliers; the suppliers come to them, jamming a reception area at the procurement center.

Yu Xiaoma of Guangzhou Kangaroo Leathers Co., which makes handbags and wallets for Wal-Mart and other multinationals, said: "You can't make much money from Wal-Mart. They demand the lowest, lowest price."

Amy Gu, vice manager for exports for Goodbaby Corp., which makes baby strollers near Shanghai, said the company sometimes takes orders to supply Wal-Mart at or below cost through a partnership with a Canadian distributor, Dorel Industries Inc. "Dorel will tell us, 'Well, Wal-Mart has given us this price, we

need a factory cost of this much,'" Gu said. "And we have to find a way to deliver it."

Wal-Mart says such arrangements benefit both sides. Hatfield said the company has made distribution more efficient and fair by cutting out middlemen and resisting corruption. In a country where transportation remains unreliable, Wal-Mart's distribution network has given manufacturers access to customers around the country and the world.

He touted the case of a Guangdong factory that began supplying Wal-Mart stores in Shenzhen with a drink made of milk and egg yolk, delivering 25,000 units the first month.. It proved popular. By September, Wal-Mart was shipping 1 million units a month across southern China.

"They can just drop it at our distribution center and we take care of the rest," Hatfield said. "Now it's a national brand."

Yet those who run the factory that produces the drink, Weijiasi Food & Beverage Co., say they haven't yet shared in the success.

In the beginning, we made money," said a manager reached by telephone, who gave his name as Mr. Li.

"But when Wal-Mart started to launch nationwide distribution, they pressured us for a special price at below our cost. Now, we're losing money on every box, while Wal-Mart is making more money."

*Special correspondent Wang Ting contributed to this report.*



## WORKERS SIEZE ALCAN SMELTER IN QUEBEC

Alcan CEO calls on unionized workers to open dialogue over seized plant

DAVID PADDON Canadian Press

Monday, February 02, 2004

Alcan president Travis Engen at a news conference in Montreal on April 24, 2003. (CP/Paul Chiasson)

(CP/Paul Chiasson)

**TORONTO (CP)** - The head of Alcan Inc. said Monday he's concerned about safety at one of the company's Quebec aluminum smelters, which has been taken over by unionized workers.

"You have to remember these are facilities that use very, very high levels of power, millions of amperes of electricity, molten metal," Travis Engen said after a speech to a Toronto business lunch.

While the unionized workers have done well operating the smelter at Jonquiere, Que., on their own since taking it over last week to protest plans to close it this spring, affecting 550 jobs, Alcan management is still responsible for the facility, he said.

"We're quite concerned about the potential for something which might breach our health-and-safety standards," Engen said.

But he added the company hasn't given any deadline to the workers, who are represented by an affiliate of the Canadian Auto Workers union.

"There will be some limits, obviously, because there are some raw materials required to produce aluminum. I would image the stocks of raw materials that are at hand are falling. But there's no deadline," Engen said.

Quebec's Labour Relations Board ruled late Friday that the workers' actions were illegal. On Saturday, thousands of people demonstrated against plans to close the plant 10 years earlier than expected.

Engen said the 60-year-old smelter, which had been slated to close in 2014 because its technology doesn't meet more stringent environmental standards, is being closed earlier because of the age of its workforce.

"We've been trying to find the right moment in time when, because of the natural evolution of the employment, that we'd have enough retirements to more than offset the job reductions so that people could be transferred and there would not be any layoffs," Engen said.

Alcan had been in discussions with union representatives before the company's announcement Jan. 22 that it plans to close the facility. But the workers' representatives have been unwilling to talk since then, he said.

"We remain open, interested, available. And would welcome whatever steps could be taken to open up a dialogue," Engen told reporters.

Alcan had started the closure process, which requires several weeks. But Rolland Poirier, the union local's general secretary, said in an interview the workers took over the plant last Tuesday "and stopped the closure process."

Poirier said Monday the mill's foremen are making inspections at the mill, which still runs 24 hours a day, "but the operating decisions are being made by the operators."

The last of the four potlines was to be closed at the start of April, Poirier said. He added that the Quebec government has named a mediator to try to resolve the dispute.

Although Alcan is rationalizing its global operations since the acquisition of Pechiney SA of France in December, Engen said the closure of the Jonquiere smelter was due to its aging technology and desire to avoid layoffs.

But Engen said he does expect layoffs will result from its takeover of Pechiney, particularly some of the functions at its Paris headquarters.

Montreal-based Alcan (TSX:AL) is the world's largest aluminum producer by revenue after its recent takeover of Pechiney, completed last month for \$6.3 billion.

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Project-X list: initiated for the (re)building of the Left.

## An Open Letter to Canada's Minister of Health Salmon Farming: What's Damaging To Our Environment, Is Damaging To Our Bodies

### Commentary by Alexandra Morton

There are husbandry practices within the salmon farming industry which need to be scrutinized by the Minister of Health for their impact on human health.

Sixteen years ago I moved to a remote archipelago off the coast of British Columbia to study the natural history of killer whales. Four years after my research began, salmon farms started towing into the area to raise Atlantic salmon. I am writing to you after 12 years of closely observing the salmon farms

in my study area, and noticing aspects of farm salmon husbandry which can not be acceptable to human health. I would never feed my children a farm salmon.

In 1993, a company called Scanmar used Atlantic salmon stock which were infected with a triple-antibiotic resistant strain of *Aeromonas salmonicida* - the causative agent for the fish disease, furunculosis. This bacteria was resistant to all antibiotics approved for use in salmon farming and it spread 10 km to infect several B.C. Packer farms, another company raising salmon. Despite the fact that the farms straddled prime, protected, wild chinook salmon habitat, and the provincial Ministry of Fisheries, Food and Agriculture declared the spreading disease an "emergency situation", the federal Department of Fisheries and Oceans allowed the diseased stocks to remain in the net pens and prescribed oral administration of the antibiotic, Erythromycin.

What caught my attention was in the DFO publication "Streamtips" (summer 1992) DFO had published an "Erythromycin warning." "Fish treated with erythromycin, including spent adults, may not be used for human consumption and under no circumstances may the drug be used orally... in food fish," it stated. It occurred to me that DFO had compromised its own concerns about this important antibiotic, the public health and the wild salmon stocks, under pressure from salmon farmers. The wild salmon, incidentally, crashed across all age-classes in that area, that year, and have never recovered.

Every fall I assist in capturing wild coho broodstock for enhancement. Several days following an escape of 30,000 Atlantic salmon from a nearby salmon farm run by Stolt, Atlantic salmon appeared in the stream where we were taking the coho. We froze the first three we caught, the fourth I sent to the Provincial Ministry of Fisheries, and from the fifth I took bacterial swabs and sent them to the Fish Pathology Lab at the University of Guelph. All these fish had open sores, encrusted with yellow pus and we were concerned about this infection spreading to the endangered coho. I wanted to identify the pathogen, before we started losing the endangered coho broodstock.

The lab report found two bacteria - *Serratia plymuthica* and *Serratia liquefaciens*. Neither of these bacteria were recognized by fish scientists I contacted, although they have been responsible for death among farmed Atlantic salmon in other parts of the world. So I called my doctor. She was familiar with these *ecoli*-like bacteria - common in sewage. What really alarmed me was their resistance to 11 out of 18 antibiotics tested. Since this discovery, the province has been splitting hairs regarding my methodology, the source of the infection and fish, but

MY first reaction was that I should have been wearing gloves when I handled that fish.

People throughout B.C. are catching escaped farm salmon with no idea of the drug history of those fish. Did they escape mid-treatment, have they completed a safe withdrawal period? I have talked with hatchery workers, encountering Atlantic salmon during broodstock takes who smoked and ate the farm fish. This low temperature cooking method will not kill the bacteria present.

People are also fishing in the immediate vicinity of fish farms - which do not advertise drug and pesticide treatments underway in the net pens. Since the nets do not prevent medicated food pellets from getting outside the pen - the entire wild food chain is susceptible to uptake of the drugs. Antibiotic residues and resistant bacteria persist in the waste which accumulates under salmon farms.

Fishermen and B.C. sea food consumers are therefore at risk of antibiotic contamination, a recognized, growing threat to human health. This situation is aggravated by the practice of siting of salmon farms in the areas of highest wild biomass production in this archipelago, locations which were protected for a fleeting time by the province as "red zones" where no fish-fish farming could be conducted (Coastal Resource Interest Study 1989).

If Guelph University's tests were accurate, at least some farm salmon harbour seriously drug resistant pathogens. Disturbingly, the fish I sampled was resistant to human medicines such as Penicillin, Ampicillin and Erythromycin.

There are no towns in the area - Echo Bay has only 40 people- and so there are no municipal sewers which could have exposed this fish to drug resistant sewage.

As an aside, there are rumors, which I have not attempted to substantiate, of people experiencing toxic shock as a result of handling fish in the farm salmon processing plants. People believe it is due to exposure to drug residues in the fish to which the person is allergic.

My second area of concern is pesticides. Some of the farms coat their entire nets with a red anti-foulant paint called Flexgar to prevent growth of mussels, barnacles and other species. In a period of months, this paint flakes off the nets and the net has to be repainted. Unbelievably, the label for this product specifically states "Toxic to aquatic organisms. Do not contaminate water. Do not allow chips to enter water" with a skull and crossbones clearly visible! And yet not only do gallons of paint chip off each net into the water, the farm fish feed among these paint chips, with mouths agape, sucking in water along with each pellet. It seems impossible that they are not consuming the paint chips flaking off the five submerged sides of the net pens as they feed. Are other Canadian agricultural food producers

raising livestock in containers coated with toxic paint?

The other salmon farming pesticide which is not approved by its manufacturer for use in the marine environment is Ivermectin. Ivermectin is coveted by salmon farmers to rid their slow-swimming, high-density fish stock of sea lice - a big issue for salmon farmers. In a policy, which seems negligent at best, B.C. salmon farmers are not allowed to put Ivermectin in the water as a "pesticide", unless they soak it into a food pellet, which many marine organisms will find attractive, and then throw it into the water as a "pharmaceutical".

On February 7, 2000, 7,000 farm salmon died from an over-dose of Ivermectin, illustrating the narrow margin between efficacy and toxicity for this drug. The problem is not so much that a vet made a mistake, but that this lethal chemical is being used at all in a fish farm sited on commercial and sport fishing grounds. Nearby this farm an exclusive fishing lodge attracts luxury yachts with helicopters on the upper decks and these people go out and trap prawns near the salmon farms using Ivermectin. In addition, a commercial fishing fleet works in the area harvesting prawns and other species and ships the seafood all over the world.

Prawns are bottom feeders, inhabiting places where currents slacken and drop particulate matter and Ivermectin-laced pellets are now dropping on them. If the prawns don't outright die, they will carry this persistent pesticide for a long time. Four nanograms of Ivermectin per liter of water kills shrimp (that's one ounce per 10,000 Olympic-sized swimming pools) and 1000 degree days are required to withdraw salmon from Ivermectin. It is so toxic its manufacturer, Merck, has not approved or even tested the drug for use in water. It was found to kill all life in the sediments underneath salmon farms, preventing decomposition thus creating seriously toxic dumpsites.

Ivermectin is benefiting from a legal loophole. A "pesticide" must attack a parasite directly, but Ivermectin has to be applied to the host, to the point of almost killing that host, to reach the parasite and therefore it is a "pharmaceutical". The Provincial Abbotsford Veterinarian Lab uses this loophole to give salmon farmers permission to use Ivermectin - even though the manufacturer knows it is too toxic to even attempt approval for use in water. This behaviour seems irresponsible, threatening the health of seafood consumers. In Scotland, vets are using the same loophole and 11% of farm fish tested positive for Ivermectin in 1994, but who is testing the wild food chain adjacent to the farms?

These are some of the reasons I would never feed my children farm salmon and why I am asking you to examine husbandry practices on salmon farms. It has become abundantly clear to me as I

observe this industry that what is damaging to our environment is damaging to our bodies.

The salmon farms belong in tanks, isolated from resources used by the public in the same manner as other animal feedlots.

END NOTE: Alexandra Morton is a biologist, author - and voice in the wilderness. She lives off the coast of Northern Vancouver Island in an area where there is a heavy concentration of fish farms, and for years has been warning of the ecological dangers this industry poses.

(The above article was found at [www.arivernever sleeps.com](http://www.arivernever sleeps.com) and was published in March 2002. editor.)

## Junk food and politics

by Kerri-Anne Finn and Erika Shaker/Our Times/CALM

In case you haven't heard, McDonald's has a beef (sorry, we couldn't resist) with the most recent edition of the Merriam-Webster Collegiate Dictionary. Released in June 2003, the dictionary now includes the word "McJob," defining it as "a low-paying job that requires little skill and provides little opportunity for advancement."

That's nothing new for most of us. The term has been around for over a decade.

But apparently fast food giants have feelings, too. In an open letter to Merriam-Webster, Jim Cantalupo, McDonald's chairman and CEO, expressed his heart-felt horror at the inclusion of the term, calling the definition "completely inappropriate and absolutely demeaning" to the 12 million American teens "getting their first employment experiences, parents supporting families, and seniors supplementing their income" from, well, McJobs.

Apparently he didn't stop to think about why a 79-year-old taking a part-time, minimum-wage job to supplement grossly inadequate social security may not be so "appropriate" in the self-declared richest nation in the world. Nor did he do the McMath to realize the impossibility of supporting a family of four on a McDonald's pay cheque.

Going on the attack, Cantalupo reminded Merriam-Webster that McDonald's "trains more young people than America's armed forces." Clearly Cantalupo's definition of "training" is suspect, however, since in recent years McDonald's has installed automated equipment that makes employee training virtually unnecessary. But this has not prevented the company from lobbying to retain the \$2,400 federal grant for every employee they "train" in the U.S.

One way or the other, surely Merriam-Webster's inclusion of the word "McJobs" is just an example of linguistic inevitability. After all, McDonald's spends more on advertising worldwide than any other corporation. The Golden Arches is one of the most recognized symbols in the world. So it's no wonder that, in addition to spreading the joys of trans-fats, unsustainable farming, and milk-less milkshakes to billions of people, McDonald's has also made an indelible impression on the English language.

McDonald's appears to have made an impression on our self-declared junk-food-loving Prime Minister Paul Martin, too. Martin re-flagged a Canada Steamship Lines ship in 1998, replacing a Canadian crew, members of which were earning more than \$11 an hour, with Filipino crew members who were paid less than \$2 an hour. In 1996, it was revealed that three of Martin's CSL vessels were built at a low-wage Chinese shipyard. Two of the three ended up flying Bahamian "flags of convenience," a move that allowed CSL to pay lower wages and taxes than would have been the case if the ships had been registered in Canada. (Yes, we know there was a blind trust, but we also know that, during the reign of that blind trust, Martin was doing a bit of peeking.)

Martin and McDonald's CEO would have a lot to talk about.

As finance minister, Martin found new and inventive ways to explore the concept of lean cuisine particularly for poor people. Under his authority, the number of unemployed people in Canada who were eligible to receive unemployment insurance plummeted from 74 per cent to 38 per cent. Billions were then taken from the \$40-billion surplus in the UI fund to pay down the deficit.

On top of gutting UI, Martin eliminated national standards for social assistance and cut federal spending by 40 per cent over four years, boasting that he had lowered federal spending to levels not seen since the 50s. Even the Mulroney government wasn't as draconian.

Just like the packaging for McDonald's lettuce-and-tomato hamburger (the now-defunct "McDLT"), promoted as keeping "the hot side hot and the cool side cool," Martin's policies have kept the rich side rich and the poor side poor. So forgive us if, like McDonald's partially gelatinated, non-dairy, gum-based beverages, Martin's rhetoric at the end of 2003 about "strengthening the social foundations of Canadian life, building a 21st century economy, and ensuring Canada's place in the world as one of dignity and pride" leaves a funny taste in our mouths. Welcome back to the good old days, indeed.

*Kerri-Anne Finn is communications officer at the Canadian Centre for Policy Alternatives, and Erika Shaker is director of the CCPA's education project. Our Times website is [www.ourtimes.ca](http://www.ourtimes.ca)*

## Workers' rights are citizenship rights

CLC/CALM

On the eve of the fifty-fifth anniversary of the *United Nations Universal Declaration of Human Rights*, Canada's reputation as a defender of those basic rights is embarrassingly tarnished.

Canadian Labour Congress president Ken Georgetti says it's time the federal government got serious about defending the rights of its citizens.

"Despite Canada's pledge to uphold the *UN Declaration of Human Rights*, despite the guarantees of our own *Charter of Rights and Freedoms*, and despite a

growing volume of Supreme Court decisions, working people in this country continue to face oppression when they practise their right to belong to a trade union," says Georgetti.

Earlier this year, Canada came under harsh criticism from the U.N.'s own International Labour Organization for what it saw as deliberate attacks on the rights of workers by some provincial governments.

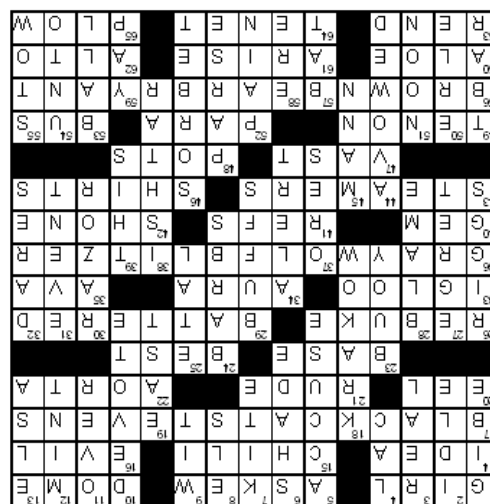
"Provincial governments, in particular those of Ontario, British Columbia and now Quebec, have thrown up legal barriers that make it less secure for workers to organize themselves into unions. They have arbitrarily passed laws to destroy unions, cancel collective agreements, facilitate employer-driven campaigns to have unions decertified, and even deny entire classes of workers access to union representation," says Georgetti.

According to Georgetti, these actions aren't just serious violations of our right to freedom of assembly, they are a deliberate attack on our society's efforts to promote equality.

"The workers who suffer the brunt of these dirty laws are often the most vulnerable members of society. They are the health care workers targeted by laws in B.C. and Quebec. They are the agricultural workers in Ontario and Alberta who are unable to freely engage in union activities. They are the textile workers whose employment standards were being abolished in Quebec. They are disproportionately women, new immigrants and members of visible minorities. So much for equality," he says. Georgetti warns that workers' rights, like any other rights we have, don't stand a chance unless they are upheld by us as citizens and firmly defended by the governments we elect—both inside Canada and abroad.

"They are our rights as citizens. When rights are ignored, for whatever alleged reason—efficiency, competitiveness, security—our citizenship is eroded. At what point will we find our citizenship so eroded that we are no longer recognized as Canadians? The sad truth is that for some of us, this has already happened. It's time for the federal government to get serious about protecting our rights—all of them," says Georgetti.

EDITED BY TIMOTHY E. PARKER  
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By Gordon Seaberg  
"SHADES OF FAME"



**"SHADES OF FAME" By Gordon Seaberg — Edited By Timothy E. Parker**

**ACROSS**

- 1 The Temptations' "My \_\_\_"  
 5 Off kilter  
 10 Rotunda feature  
 14 Creative thought  
 15 Some like it hot  
 16 Axis of \_\_\_  
 17 Unlucky British folksinger  
 20 One in a wriggly field?  
 21 Inconsiderate  
 22 Trunk with no bark  
 23 Statue part  
 24 Crème de la crème  
 26 Slap on the wrist  
 29 Beaten-up  
 33 Yukon home  
 34 Daughter of Ming the Merciless  
 35 Screen siren Gardner  
 36 Howling CNN Host  
 40 Thing of beauty  
 41 Whistle blowers  
 42 Glistened  
 43 Some clams  
 46 Skivvies' uppers  
 47 Like the Great Plains  
 48 Poker stakes  
 49 Mortise insert  
 52 Chute opener?  
 53 Do a beanery chore  
 56 Grizzly Alabama coach  
 60 Medicinal herb  
 61 Hit the deck, so to speak  
 62 Palo \_\_\_, Calif.  
 63 Separate with force  
 64 Basic principle  
 65 Furrow former

**DOWN**

- 1 Barbed remark  
 2 Like some chatter  
 3 "Get \_\_\_!"  
 4 Fond du \_\_\_, Wisc.

- 5 Point a finger at  
 6 Respite from the sun  
 7 Member of the hawk family  
 8 Golf's Ernie  
 9 Sagacity  
 10 Give, as time  
 11 "Roger, \_\_\_ and out"  
 12 In perfect condition  
 13 "Born Free" feline  
 18 Poland's city of kings  
 19 Where Juliet is the sun  
 23 Marking float  
 24 Hook points  
 25 End of some lists  
 26 1973 King rival  
 27 Great or snowy, e.g.  
 28 Something to shoulder  
 29 Enthusiasts  
 30 Nick's creator?  
 31 The Super Bowl, e.g.  
 32 Tempts fate  
 34 With ears pricked  
 37 They could use refinement  
 38 1987 Beatty flop  
 39 With-ring link  
 44 Stated openly  
 45 Jazzman Herbie  
 46 Cold dessert  
 48 Dissect the language  
 49 Lift up the slope  
 50 Perry's creator  
 51 When all hands meet  
 52 Suffering partner  
 53 Chain partner  
 54 Golden rule preposition  
 55 Put belowdecks  
 57 Dracula, at times  
 58 Before, to Byron  
 59 Mouth, slangily

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