

# M F D

M E M B E R S F O R D E M O C R A C Y

<http://www.ufcw.net>

## Knowledge is Power

### Use it or Get Used

We are working people helping other working people take back their unions. We believe that fully democratic unions are essential to improving the lives of working people today and in the future. Knowledge is power. If your union is leaning on you for concessions, here are some things you need to know.

### Concessions are bullshit!

Companies ask for concessions so that they can make more money. Unless the company is in desperate financial shape, there is no need to bargain concessions.

Competition is a given in a free-market economy. All business can expect competition, including new competitors that have competitive advantages. It's up to all the high-priced help at the corporate head office to help *the company* to stay competitive. If competition were a good reason for rollbacks, everybody, everywhere would be making minimum wage.

Concession bargaining has been disastrous for workers. There's more than 20 years of evidence of that. Concessions help the company and the shareholders not workers, and they don't make jobs more secure. What companies take, they don't "give back".

There has been steady profit growth for Safeway for the past decade. The 2002 American books show a significant loss, but it has an explanation. Changes in accounting practices and charges against the Dominic's and Randall's operations, both of which cost the company dearly.

**However, Canada Safeway is doing well.** Sales are up \$42 million, and overall assets are up \$53.3

million in 2002 compared to 2001. That's not bad when one takes into account the new accounting methods employed in the wake of the Enron scandal.

The objective of any for-profit business is to make the largest profit it can, year after year after year. A company that thinks it can get concessions will try to get them if only because it will increase profitability.

### Watch out for Juggled Books

In 1990, Canada Safeway made a whopping dividend payment of \$539 million to its American parent company to help reduce its debt. Canada Safeway borrowed to finance that payment. The company's 1990 annual report boasted: "The debt restructuring and the related dividend is providing long-term tax **benefits to the parent.**"

In 1993, Canada Safeway pleaded poverty and received \$40 million in wage and benefit concessions from Canadian employees who asked for job security in exchange. In 1997, the firm tried again to bargain concessions despite huge and growing profits in both countries.

This is a Democracy. These are our Rights. Under the Labour Relations Act of this province your union has a duty to represent **you** - not your employer. Under the **Charter of Rights and Freedoms** of our country you have the right to life, liberty and security of the person. Settling for less will harm your security? You should be able to exercise those rights without interference, manipulation and coercion from fat cats with their own interests.

### Where We're Coming From:

In 1989, Loblaw Companies asked UFCW Canada for a break. In setting up their Real Canadian Superstores in BC, Loblaw wanted a competitive...

*Continued on page 2*

Continued from page 1

... edge by not paying the wages and benefits that UFCW members in BC were getting.

The UFCW set up special Local 777 with a cut-rate contract to appease Loblaws. They brought in lower rates of pay, more management flexibility, less job security; and they even picked the Local President. It was supposed to be just for a while, until the company got established. To this date, that hasn't happened.

The deal set off a race for the bottom that 10 years later hasn't quite bottomed out. Other employers threw the concessionary deal in the UFCW's face and demanded the same thing. The members took a hit everywhere. Ten years later, the employers are doing fine. The workers are still waiting for their fair share. Nobody's holding their breath for it.

In 1997, UFCW Local 1518 in BC agreed to concessions with two large supermarket companies, Safeway and Overwaitea Food Group, which included:

- Buy out packages for full-time members.
- A staffing ratio guaranteeing 50% of the workforce would be part time.
- A lower-paying Clerk II classification (Clerk II) with lesser benefits, little job security, could be scheduled whenever and would never see full-time work.
- Voluntary recognition of the union at the companies' new low-wage banner stores.

The union sold the deal to its members at hastily called ratification meetings that summer. Members were told they'd better accept the deal. They were given one hour to read a 50-page document intended to be their new contract. Then they were told to vote and ask questions later.

Members were outraged. UFCW leaders sang the praises of the company's CEO, especially his "job-creation" strategy.

Sound Familiar?

**If it's happening to you, you've got the power to stop it!**

If you're feeling anything but happy about the recent concessionary deal offered by Safeway and the secret deal cut between the UFCW and Loblaws in Ontario, you're not alone. Across the continent thousands of UFCW members have been affected by concessionary deals cut in secret and presented to members as "the best of a bad situation".

You can take it or you can fight it. It's up to you to decide what you want to do. But if you want to fight it or to learn more about what you can do, we're with you.

**Remember: One person's concession is another person's job loss.**

What's MFD?

**We are people-who-work** helping other people-who-work take back their unions. We started out as a reform movement within the Canadian UFCW but have expanded our focus to the broader community of workers. We believe that fully democratic unions are essential to improving the lives of working people today and in the future.

***Unions of the people, for the people...***

The world is changing. The knowledge age is here. The places where we work are changing. Workers can influence the course of change and build a better, more humane world and better more humane workplaces. To this end we need to know - to understand - what's going on. When we understand our environment, we can change it. We can analyze it, assess it, and decide what we want and how to achieve it. To facilitate change that is good for workers, we need unions that are good for workers. Unions that are good for workers will be able to engage the future.