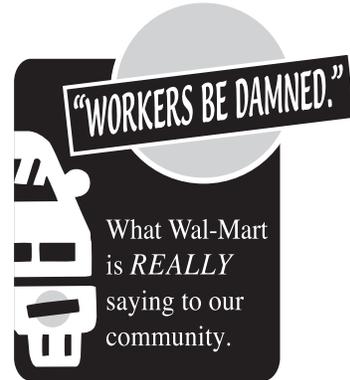




Wal-Mart:

The Whole Truth



A Exclusive Series Published In The



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Wal-Mart be damned! Shop Union, buy American, every time you can

An Editorial

For the past 15 weeks, the *Labor Tribune* has run a series of exposés regarding Wal-Mart.

These articles were the result of extensive research in newspapers, the internet and Wal-Mart's own documents.

The bottom line: Wal-Mart is a company whose only concern is to make money — and lots of it.

Now, we have no problem with that. After all, this is America and the free enterprise system has proven that it functions better than any other economic model in the world.

The problem is that Wal-Mart's enormous profits come on the backs of its workforces — not only in the U.S. but overseas as well.

In the U.S., Wal-Mart pays abominable wages, treats its employees like dirt, has little concern for their welfare and has no remorse in doing so.

Our series documented Wal-Mart's abuse of its workers — from cheating them on overtime; forcing them to work without pay in locked stores; abusing women employees by degrading them and by paying them less; by teaching managers how to encourage workers to use public health facilities for their healthcare and much, much more.

Overseas, it's even worse in plants that manufacture Wal-Mart's products: Forced long work hours, no restroom breaks, unbearable speeds for production quotas, low pay and unsafe and unsanitary working conditions.

An interesting letter appeared on the website www.AlterNet.org in which a reader pointed out that Wal-Mart's alleged "average wage" of \$10 an hour is deceptive: "The people who work in the stores get much less, but their fleet truck drivers make wages similar to Costco's workers, or \$16 an hour. The drivers' wages skew the average upward! It's WORSE than it looks!" And we'll bet that store managers' wages (\$48 to \$72 an hour) are also part of the "average," which means real worker's wages are much worse than even this comment depicts.

And then there is Wal-Mart's unrelenting demand that companies move their production overseas to take advantage of pennies-a-day workers so Wal-Mart can offer its infamous "low prices."

Not only don't the overseas workers really gain much, but Wal-Mart has destroyed hundreds of thousands of American jobs in the process. Even the exploited countries are now beginning to lose Wal-Mart work to even lower wages paid in nations such as China. Greed has no loyalty!

And through it all, Wal-Mart continues to rack up profits: \$12 BILLION last year alone! It's not that it cannot afford to pay a decent wage, provide good healthcare and stop exporting American jobs and thus ruining American families when their breadwinners are out of a job.

How do we begin to protect union jobs — American jobs — from further erosion by Wal-Mart's unrelenting, anti-union, anti-worker attitude?

By spending our hard-earned union paychecks anywhere but Wal-Mart!

Everyone wants to make their paycheck go further. But at what cost? Retail and manufacturing jobs today and YOUR job tomorrow?

The most obvious answer is to support union stores wherever possible. In our region, the most obvious way to start is at your neighborhood grocery store.

Schnucks, Dierbergs, Shop 'n Save and Straubs — as well as many independent food stores — are 100 percent union. They pay union wages, provide healthcare benefits, pensions and paid vacations. They provide good value,

high quality products and exceptional customer service.

Union families MUST wake up. Americans MUST wake up.

If we don't support our own, if we don't shop at union stores whenever we can, if we don't buy American whenever we can, we will regret it later when suddenly it's OUR job and career on the line.

While we'll never put Wal-Mart out of business, we can make a dent.

A pastor writing on the AlterNet web site noted that in some rural communities (because of Wal-Mart's predatory practices that put local establishments out of business) there is no choice but Wal-Mart. He said: "Maybe you can obtain similar services for at least some of your shopping (elsewhere). . . If we all do what we can, local businesses will be stable, and Wal-Mart will shrink."

Everyone can do their part. Start now. **DON'T SHOP WAL-MART.**

It is working now:

- Wal-Mart's stock price is lethargic.
- Its competition, Target and Costco, are growing while Wal-Mart is stagnant.
- Wal-Mart has been forced to launch a multi-million-dollar public relations advertising campaign to offset its negative image.
- Once considered by corporate America in *Fortune Magazine* to be the nation's most-admired company, Wal-Mart no longer holds that position.

By its actions, Wal-Mart says metaphorically, "Workers be damned." By not shopping at Wal-Mart, we can say, "Wal-Mart be damned."

By not shopping at Wal-Mart we're telling the company to straighten up and fly right or we'll shop elsewhere.

And in urban areas like St. Louis, we have a lot of "elsewheres" to shop.

The one thing Wal-Mart will heed is its bottom line.

If we can spread this message everywhere — through your friends, neighbors and family living across America — we can make a difference.

Take the pledge now: Don't Shop Wal-Mart. Ever.

Wal-Mart series available

Copies of this pamphlet with the *Labor Tribune's* entire 15-part Wal-Mart series are available. It's a great gift for your friends and family to educate them on why it's important to avoid shopping at Wal-Mart. To order, send \$3.50 in check or money order to: Wal-Mart Pamphlet, % *Labor Tribune*, 505 S. Ewing Ave., St. Louis, MO 63103. Allow six weeks for delivery.

Wal-Mart: 'Workers be damned!'

A closer look at the Godzilla of retailers

"Workers be damned."

If Wal-Mart were to have its own bumper sticker for executives, this would be it. And they would display it with glee.

Look at the facts:

- WM workers earn about 31 percent LESS than workers in retail overall;

- Less than half of WM workers have employer healthcare while 95 percent of union workers do;

- WM sales clerks, according to *Business Week*, earn an average of \$8.23 an hour or \$13,861 a year, which is nearly \$800 below the federal poverty level for a family of three;

But statistics are hard, cold facts. They don't put a human face on Wal-Mart.

- Like the 200 working families in Jonquiere, Quebec who voted several months ago for union representation by the United Food & Commercial Workers, but who lost their jobs last month when Wal-Mart simply closed the entire store rather than be unionized.

- Like the hundreds of meatcutters (albeit non-union meatcutters) in Jacksonville, Texas who lost their jobs when WM closed all their meat counters and went to pre-packaged meats simply because a handful of meatcutters in this single store chose to become UFCW members.

- Like the hundreds of thousands of Americans who lost their jobs because Wal-Mart demanded their employers close their American factories and open plants overseas, notably in China, where child labor is an integral part of their workforce and where workers earn pennies an hour. Did you know that Wal-Mart uses over 3,000 Chinese factories to produce its goods? That's almost as many stores as they have in the U.S. (3,600).

- Like the thousands upon thousands of Americans forced out of work in small towns across the nation when a Wal-Mart opened its doors in their communities. An example: a study by Iowa State University showed that in the first decade after Wal-Mart stores opened in Iowa, the state lost 555 grocery stores, 298 hardware stores, 293 building support stores, 161 variety stores, 158 women's apparel stores, 153 shoe stores, 116 drugstores and 111 mens' and boys' apparel stores.

All in the name of "low prices."

The hundreds of thousands of Americans thrown out of work can't afford "low prices" on anything without a paycheck.

And that's beginning to happen right here in the St. Louis/Southern Illinois region as Wal-Mart begins its assault on our metro area, big time.

In the unionized supermarket industry alone, in our area, it's estimated (based on the amount of business Wal-Mart does in food), that 5,867 good union jobs were LOST in union food stores alone: 1,806 full-time jobs, 2,981 part-time jobs and 1,080 bagger jobs.

Jobs our kids could have had to help pay some expenses, or help pay their way through college, or earn a decent living for themselves and their families, a job that has health benefits, a pension plan, paid vacations.

"Our union members are helping to keep Wal-Mart alive by continuing to shop at their stores. It's a major tragedy," said St. Louis Labor Council President Bob Soutier.

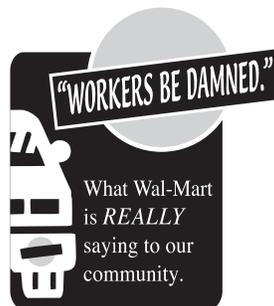
"Certainly we can't stop this juggernaut. But if union families stopped shopping at Wal-Mart, that would make a big dent. And at least here in St. Louis and Southern Illinois we would begin to protect the union jobs we have and the good wages and benefits that go with those jobs."

"We have to start somewhere, and St. Louis is the place to do it because we've got a strong labor community," said Jim Dougherty, president of UFCW Local 655 who has the major food chains in St. Louis organized.

"A union member shopping in Wal-Mart is like cutting your own throat. Down the road, EVERY union worker will be impacted as Wal-Mart's pressure to push wages down to the Chinese levels continues. We might not see it, but our kids sure will," Dougherty stressed.

Joe Hansen, president of the United Food & Commercial Workers International Union, noted that in Canada, like the U.S., Wal-Mart is choosing to destroy the livelihoods of nearly 200 working families rather than accept a compromise agreement with workers. "It is clear from its actions in Jonquiere and in Jacksonville, Texas, that Wal-Mart will go to any length to avoid recognizing its workers organized voice on the job."

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By ED FINKELSTEIN
Labor Tribune Publisher
FIRST IN A SERIES



'Workers be damned!'

Are union workers cutting our own throats by shopping Wal-Mart?

Many union workers and their families are in the process of cutting their own throats, and are doing it willingly. And tragically, they won't realize it until it's too late.

This is the first in a new series of articles on one of the most imposing economic threats to our American way of life, and most especially our union-way of life — the homegrown, all-American retail supergiant, WAL-MART.

In terms of science fiction, WAL-MART is the Godzilla of retail merchants.

And it's as much a threat to our American way of life as Godzilla was to the citizens he crushed when he ventured into their cities. Like science fiction, Wal-Mart does the same.

Only Godzilla-like Wal-Mart is not science fiction. It's real. And it's real bad.

It's especially bad for union families who have come to not only expect a standard of living their union wages and benefits bring them, but whose standards of living are threatened as Wal-Mart begins to have an impact on wages — driving them



DOWN, and American jobs — sending them overseas.

Unless union workers and their families understand the threat and begin to NOT SHOP at Wal-Mart, the handwriting is on the wall, not only for union jobs, wages and benefits, but for jobs, wages and benefits of ALL Americans.

If Elliott Ness were still alive, Wal-Mart would be Public Enemy #1.

This series will outline the threat. We hope our union readers and their families take heed. Go to any Wal-Mart store and look at the bumper stickers on cars on the parking lot. A lot of union members and their families are shopping there.

"Low prices" today. But how about your own "low wages and no health insurance" tomorrow? Impossible, you say? They said the same about jobs going overseas.

It's your decision; it's your job; it's your standard of living.

We present this series to give our readers information. Whether you continue to shop Wal-Mart after that is your decision.

Published on March 3, 2005



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Japanese tactics

And plans are on the drawing board for another handfull of Wal-Marts and Sam's Clubs in this region.

In Missouri today, according to Wal-Mart's web site, there are 46 Wal-Mart discount stores (23 in our area), 69 supercenters (10 in our area) and 14 Sam's Clubs (eight in our area).

Nationwide, as of February 28, 2005, there were 1,353 Wal-Mart stores, 1,713 supercenters, 552 Sam's Clubs and 85 Neighborhood Markets in the United States. Internationally, Wal-Mart operates units in Argentina (11), Brazil (149), Canada (262), China (44), Germany (91), South Korea (16), Mexico (697), Puerto Rico (54) and the United Kingdom (283).

Enough is enough. Soon Wal-Mart will rule the world! If that happens...

Published on March 10, 2005



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Wal-Mart be damned! Shop union every time you can

How do we begin to protect union jobs in St. Louis and Southern Illinois from further erosion by Wal-Mart's unrelenting, anti-union, anti-worker attitude?

By spending our hard-earned union wages anywhere but Wal-Mart!

Everyone wants to make their paycheck go further. But at what price? Retail and manufacturing jobs today, YOUR job tomorrow?

The most obvious answer is to support union stores wherever possible. In our region, the most obvious way to start is in your neighborhood grocery store.

Schnucks, Dierbergs, Shop 'n Save and Straubs, as well as many independent food stores, are 100 percent union. They pay union wages, provide health care benefits, pensions and paid vacations.

Union families MUST wake up. If we don't support our own, if we don't shop union whenever we can, the few bucks you might save now will be regretted later when suddenly it's YOUR job and career on the line.

While we'll never put Wal-Mart out of business, we can make a dent. Here. In Missouri and Southern Illinois.

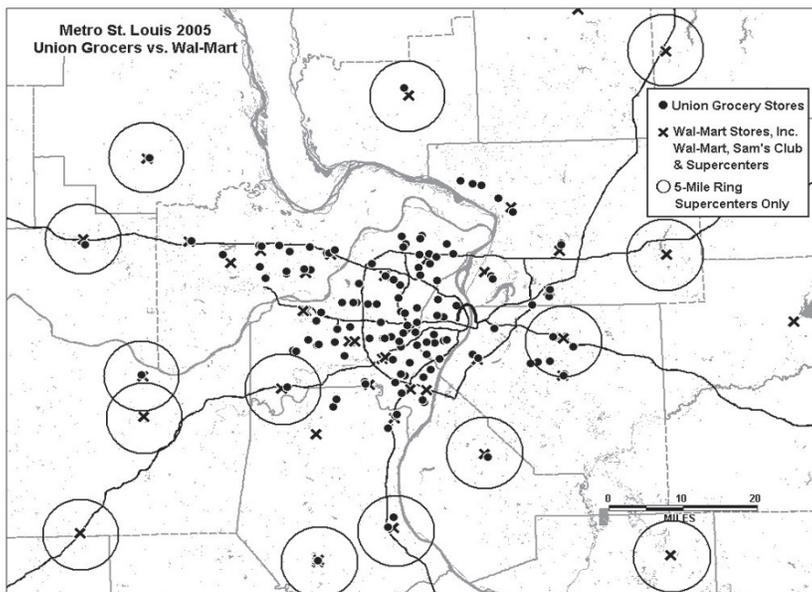
Start now.

DON'T SHOP WAL-MART.

By its actions, Wal-Mart says metaphorically, "Workers be damned." By not shopping Wal-Mart, we can say, "Wal-Mart be damned."

The one thing Wal-Mart will listen to is the bottom line. If we can spread this message everywhere, through your friends, neighbors and family living across America, we CAN make a difference.

Take the pledge now: Don't Shop Wal-Mart, ever!



GOING RURAL FIRST has been Wal-Mart's strategy for invading the St. Louis food and retail market. The dots represent a union food store; the squares within the large grey circles, a Wal-Mart supercenter. The grey circle around each supercenter is a five-mile ring Wal-Mart uses in metro areas to show its sales area. Wal-Mart is beginning to move into the urban area and will impact the shopping territory of almost every union food store and retail outlet. In food alone, non-union stores have captured more than half the entire food market, causing the loss of more than 5,000 union food industry jobs alone.

Wal-Mart's workers pay the price for our 'low prices'

How low are you willing to stoop for bargains?

"Workers be damned!"

If Wal-Mart had the courage to say what it really thinks, they would hand out bumper stickers to all their managers that simply say: "Wal-Mart's message to its employees: Workers be damned!"

A company whose revenues, if compared to nations, would make it the 18th largest economy in the world just behind Switzerland and Russia, didn't earn \$12.6 Billion (that's "Billion" with a "B") in profits last year (their sales were \$285.2 Billion) by being kind hearted with its employees and its suppliers. No sir! They simply cannot afford that! Wal-Mart is all business. They play it tough so that we the masses can have "low prices."

And by tough we mean real tough. They have earned a virtually unmatched public record of abusive, illegal and irresponsible conduct involving their employees, who by the way are 72 percent female (but who only hold 15 percent of the store managers' jobs.) And yet, some union workers and families continue to shop at Wal-Mart. Sure we need to make our paychecks stretch further, but at what price? At some point, someone, some group, must take a stand against the inhumanity that is Wal-Mart! If not union workers and our families, then who?

FIGHTING UNIONS ONLY THE BEGINNING

By now, everyone knows that Wal-Mart closed a Canadian store last month because the workers unionized. Some 200 workers who were undoubtedly their shoppers as well, lost their jobs overnight. That high visibility case is only the smallest tip of the iceberg.

Fighting unions has caused the National Labor Relations Board to issue complaints for violation of worker rights in 25 states. The company uses fear, intimidation, coercion, and illegal firings to suppress workers from have a choice on whether they want a union. But given the Republican control of the NLRB, chances of these cases getting a fair, much less a speedy, hearing are questionable.

Bloomberg Markets Reports, in March, said, "There is evidence that Wal-Mart has spies to hunt for organizers and retaliate against union-friendly workers. Of course, Wal-Mart denies it."

Here's a few examples that clearly demonstrate Wal-Mart's "workers be damned" attitude. And no amount of TV advertising trying to put on a good face can change the truth that Wal-Mart will go to any length to violate humane workers rights. The record speaks for itself:

WORKING WITHOUT PAY

● Wal-Mart faces more than 40 state and federal lawsuits filed by hourly workers in 30 states, accusing the company of systematically forcing them to work long hours off the clock. A July 2000 internal audit of 128 Wal-Mart stores found 127 of the stores were "not in compliance" with company policies concerning workers not taking breaks. The audit found workers nationwide didn't take breaks 76,472 times in a one-week period.

● In a class-action suit in Texas reported in the New York Times, on behalf of more than 200,000 current and former Wal-Mart

workers, statisticians estimate that the company underpaid its Texas workers by \$150 million over four years by not paying them for the many times they worked during their daily 15-minute breaks.

● Wal-Mart settled a suit in Colorado, reportedly for \$50 million to 69,000 current and former Wal-Mart hourly workers.

● A Portland, Oregon jury issued its unanimous verdict that Wal-Mart violated federal and state wage-and-hour laws by forcing employees at 18 Oregon stores to work overtime without pay from 1994 to 1999.

● In May 2003, Wal-Mart settled a class action lawsuit by more than 8,000 of its pharmacists charging that Wal-Mart owed them \$200 million in pay for "off-the-clock" work. In a 1999 summary judgment, a judge had already ruled that Wal-Mart had violated labor laws by not paying its pharmacists overtime and shorting their paychecks for two years. The case was originally filed in

1995 on behalf of four Colorado pharmacists and grew to 596, who alleged they had routinely worked "off the clock" for Wal-Mart doing paperwork and other chores. Typically, while their work lasted 60 hours, Wal-Mart's records only recorded 40 hours. Also, Wal-Mart classified them as "salaried workers" when in fact they were hourly.

Explaining to the *New York Times* how his Wal-Mart manager required him to work without pay, Aaron Payne said, "I'd be clocking out, and [the assistant manager] would point out all this stuff, saying, 'This isn't done, and if you leave before this is done, you won't have a job Monday morning.' It happened almost every night. I'd usually have to stay one and a half or two extra hours." Payne earned \$6.50 an hour working in a Camden, S.C., Wal-Mart store.

SEX DISCRIMINATION

● Current and former female Wal-Mart employees filed a massive nationwide sex discrimination class action lawsuit in U. S. District Court against Wal-Mart Stores, Inc. It is the largest class action lawsuit ever—with well over 1 million participants.

● Wal-Mart is being sued for sexual harassment in Florida by the federal government, the *Bradenton Herald* reported on Feb. 5.

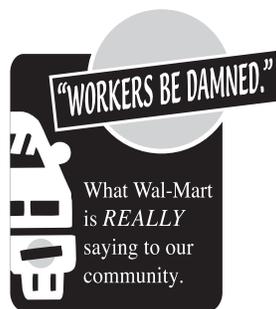
● Female Wal-Mart employees are suing in San Francisco claiming some 1.6 million current and former employees were paid less and denied promotions because of their gender.

ABUSING CHILD LABOR

● The Maine Department of Labor ordered Wal-Mart to pay the largest fine in state history for violating child labor laws, reports the National Organization for Women. The Department discovered 1,436 child labor law infractions at 20 Wal-Mart stores in the state.

● Wal-Mart agreed to pay \$135,540 to settle federal child-labor charges. The 24 violations, which occurred at stores in Arkansas, Connecticut and New Hampshire, involved 85 teenage workers who used hazardous equipment such as a chain saw, paper balers and fork lifts. Child labor laws prohibit anyone under 18 from operating hazardous equipment.

—continued next page



By ED FINKELSTEIN
Labor Tribune Publisher
THIRD IN A SERIES



Low prices

And then, to add insult to injury, our Republican-controlled Labor Department agreed to give Wal-Mart 15 days advance notice before the Labor Department investigates future wage and hour accusations.

The federal settlement has all the markings of a sweetheart deal," said Connecticut Attorney General Richard Blumenthal. He said advanced notice "enables changes in practices and even destruction of evidence if they receive a notice so far in advance."

According to the *Los Angeles Times*, "this rotten deal is being investigated by the Labor Department's Inspector General."

OTHER LAW VIOLATIONS

- Federal authorities arrested 245 undocumented aliens working in 61 Wal-Mart stores in 21 states.
- Wal-Mart suspended sales of real guns in its 118 California stores after an investigation by that state's attorney general found hundreds of violations of state firearms laws.

The tip of the iceberg. The few incidents reported here, gathered from a wide variety of sources, are only a sampling of how Wal-Mart treats its employees. And while Wal-Mart denies any wrongdoing in all of the cases against it, and may ultimately win in court or on appeals, the simply truth is that where there is this much smoke, there has to be a lot of fire.

Is this the kind of company you want to reward with your hard-earned union paycheck? Every dollar spent at a Wal-Mart or Sam's Club helps to force an American union worker out of a job. How low are we willing to stoop to save a few pennies?

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Pitiful Wal-Mart wages force workers onto welfare

While union jobs are lost, your tax dollars subsidize Wal-Mart

If you believed the multi-million-dollar ad campaign under way by Wal-Mart, you would think its employees are well-paid, get great health insurance and a ton of other benefits that union workers have come to expect from their employers.

If you believed that, you would be absolutely, positively wrong.

The truth is:

- The vast majority of Wal-Mart employees are eligible for government assistance because of their pitiful salaries.

- As Wal-Mart expands, American jobs — and especially union jobs in manufacturing and the food industry — are lost. In St. Louis alone, it's estimated that big-box stores selling groceries have cost more than 5,800 union jobs.

- For every one job Wal-Mart brags about creating, it's estimated that 1.5 jobs are lost in many industries, not only in the food industry.

- You and I, as law-abiding taxpayers, wind up subsidizing Wal-Mart, the richest company in the world, because so many of its employees are eligible for, and use, public assistance and health care.

WAL-MART'S LOW WAGES

Studies in several states clearly show that because of the company's low wages, Wal-Mart employees are forced to rely on government health care programs, causing taxpayers to, in effect, subsidize Wal-Mart's costs, giving it a major advantage over employers who pay decent wages and benefits.

According to a study by *Forbes*, Wal-Mart employees earn an average hourly wage of \$7.50.

But let's give them the benefit of the doubt. A study in 2003, "A Statistical Analysis of Wal-Mart Gender Patterns" said that a Wal-Mart sales associate earns an average of \$8.23 an hour working a 32-hour week; a cashier earns less, approximately \$7.92 an hour working a 29-hour week.

According to this study by Dr. Richard Drogin, a Wal-Mart sales associate, earns annual wages of \$13,861. Cashiers earn \$11,948 annually . . . and that's GROSS before any taxes, Social Security and other deductions are taken out.

According to the Department of Health and Human Services, the federal poverty line for a family of three is \$15,020 but the Basic Family Budget to live on is \$23,705.

In fact, Wal-Mart's average wages would not even adequately support a two-person family in rural North Dakota, which was the least-expensive place to live in with a basic family budget of \$17,067.

UNION WAGES HIGHER

According to the Bureau of Labor Statistics, grocery workers' wages average \$10.35 an hour. However, supermarket workers represented by the United Food and Commercial Workers Union earn 31 percent more than their non-union counterparts, and women have a 33 percent wage advantage with UFCW representation.

A study of the benefits of unionization in the retail food industry by the Institute of Women's Policy Research noted that unionized

retail food employees earn on average one-third more in wages than their non-union counterparts while union cashiers on average earned 54 percent more than non-union cashiers.

Add to that the fact that UFCW-organized food workers are twice as likely to have health insurance coverage and two and a half times more likely to have pensions than non-union workers in retail food, you begin to realize how Wal-Mart offers "low prices" . . . on the backs of its workforce!

Oh sure, Wal-Mart's ad campaign has managers and supervisors talking about what a wonderful company it is. Maybe for them, but not for the average worker.

WAL-MART DEPRESSES WAGES

According to UFCW studies, Wal-Mart's growth actually depresses natural wage increases.

In areas where Wal-Mart increased its share of the retail food market by 20 percent or more between 1998-2002, cashiers' wages fell 40 percent which is some 31 percent below the national average increase, the UFCW study shows.

A 2004 report in California by UC Berkeley, where wages are generally higher than the rest of the nation, found that Wal-Mart's wages on average were 31 percent below those of the broader group of large retailers — \$9.70 an hour versus \$14.01 an hour.

SUBSIDIZING WAL-MART'S LOW WAGES

The simple truth is that low wages by a major employer that has some 1.6 million workers earning low wages means less money flows back into communities and adds millions in costs to taxpayers. A few examples:

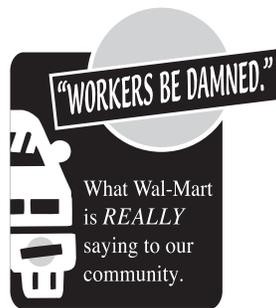
- **California:** A 2004 study by the University of Berkeley showed that Wal-Mart employees cost the state \$32 million in health-related expenses and \$54 million in other public assistance.

- **Georgia:** According to the *Atlanta Journal-Constitution*, a state audit showed Wal-Mart had by far the most employees on the State Children's Health Insurance Program (CHIP) rolls — one child in the state program for every four employees. Wal-Mart employees are six times more likely to rely on state-provided health care for their children than are employees of any other large company.

- **State of Washington:** The Associated Press reported that the state found that Wal-Mart had the most employees enrolled in their state Basic Health Care Plan, a program intended to provide health care for the working poor. Asked State Rep. Steve Conway: "Why should they (Wal-Mart) be shifting their health-care responsibilities to the state?"

- **Alabama:** Wal-Mart was cited earlier this year, according to an Associated Press story last month, for having the most employees on taxpayer-funded Medicaid health program.

The *Gainesville Sun* reported in 2003 that more than a half-million Wal-Mart workers are forced to get health insurance coverage from the government or through spouses' plans — or live without any health insurance.



By ED FINKELSTEIN
Labor Tribune Publisher
FOURTH IN A SERIES

—continued next page



Pitiful Wal-Mart wages

The same newspaper story said that Wal-Mart spokesperson Sarah Clark admitted that only 50 percent of its employees are covered by Wal-Mart's company plan with 40 percent of its employees, or approximately 400,000 employees, getting coverage through government programs such as Medicare, other employers, spouses, or parents. This leaves 10 percent of their employees, or approximately 100,000 workers, not being covered by any health care and likely relying on expensive emergency room care to receive service.

And it's getting worse. Wal-Mart's own web site on March 6 noted that of its 1.6 million employees, 500,000 were insured by the company, a total of 31 percent of its workforce, down from the 40 percent reported in 2003.

According to a study by the Committee on Education and the Workforce of the U.S. House of Representatives, a typical 200-employee Wal-Mart store may cost federal taxpayers \$420,750 annually, about \$2,103 per Wal-Mart employee.

That's your tax dollars at work for Wal-Mart!

STATES REBELLING

And states are finally rebelling at this unconscionable subsidizing of the world's richest corporation when so many other state needs are being starved for money:

● **Massachusetts:** Overriding Gov. Mitt Romney's veto, the legislature in July 2004, became the first in the nation to require the Commonwealth to compile an annual list of which companies employees and their dependents use state health benefits the most, and what it costs taxpayers. Applies to all employers with more than 50 workers.

● **Georgia:** A legislative initiative is underway to determine what companies with large number of employees are receiving taxpayer-funded health care. This after the *Atlanta Journal-Constitution* revealed in February that Wal-Mart ranked number one for employees on the government health program.

● **Missouri:** Senator Tim Green has introduced Senate Bill 166, "Health Care Disclosure Act," which will require the state to collect and disclose all employers who have more than 25 employees or their dependents receiving public assistance or public health benefits — and reveal the total cost to the public.

IS IT GREED OR WHAT?

The Wal-Mart family is one of the richest families in the world! They are reported to be worth about \$98 billion. While it pays its employees pennies, last year the company earned \$12.6 billion in profits!

If the family were truly concerned about their employees as founder

Sam Walton was, they could pay their employees \$1 an hour more if they increase their prices by a half penny per dollar. For instance, a \$2 pair of socks, would then cost \$2.01.

This minimal increase would annually add up to \$1,800 for each employee, according an estimate from the UFCW based on the 2003 study, by Dr. Drogin's "A Statistical Analysis of Wal-Mart Gender Patterns" and Appendices.

That would cost the world's largest, and richest, corporation, about \$2.8 billion, leaving plenty of profits but giving its workers a desperately-needed lift to help them make ends meet.

Don't hold your breath until that happens!

Wal-Mart fined \$11 million for use of illegal aliens: A cheap price to pay

Last week, Wal-Mart paid the government an \$11 million fine to escape criminal charges that it used illegal immigrants to clean floors in 60 stores in 21 states. Some 352 illegal immigrants were contracted as janitors at Wal-Mart stores by subcontractors Wal-Mart hired.

Wal-Mart didn't bother to check compliance with immigration laws.

Obviously, the illegals were cheap.

And \$11 million for Wal-Mart is really cheap as well.

First, think of all the money Wal-Mart saved already for who knows how many years it used the illegals at wages probably lower than it pays its low-paid employees.

Second, Wal-Mart's \$12.6 billion in profits last year alone, is as much as its five leading retail competitors combined: Target, Sears, JC Penney, Costco and K-Mart.

Wal-Mart got off cheap.

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Wal-Mart manager: 'A trained monkey' can do a woman's job

Women: Why are you shopping here? Men: Would you want your wife or daughter working here?

"Men are here to make a career and women aren't. Retail is for housewives who just need to earn extra money."

"Women do not make good managers." "A trained monkey could do their jobs." "Women with kids couldn't be managers."

These are quotes from Wal-Mart managers as reported by female employees suing for wage and gender discrimination.

Women: Wal-Mart LOVES to see them shopping but HATES to pay them equal wages and REFUSES to provide them with equal promotion opportunities.

That's the only conclusion one can draw after reading reams of testimony from Wal-Mart's female employees, current and past, who are now part of the largest private employer civil rights case in U.S. history.

What started out as a lawsuit for the equality of six women in 2001 has now been expanded to a class action suit that could include as many as 1.6 million current and former female Wal-Mart employees.

The class action suit charges that Wal-Mart discriminates against its female employees in promotions, compensation and job assignments in violation of Title VII of the Civil Rights Act of 1964. It claims that women are largely relegated to lower paying jobs and systematically denied advancement opportunities. The suit covers women employed since December 26, 1998.

DO YOU WANT TO SPEND YOUR PAYCHECK HERE?

Women of the Labor Movement take note: is this the kind of company you want to spend your hard-earned union paychecks with?

In filing their lawsuit, more than 100 former Wal-Mart female employees gave sworn statements about their treatment. Here's only a small sample:

- A female manager in Arizona was told she got paid less than a less qualified male because she "didn't have the right equipment."

- Another manager in Texas told a female employee that women have to be "bitches" to survive Wal-Mart management, while a Sam's Club manager in California told another woman that she should "doll-up" to get promoted.

- A male manager in South Carolina told a female employee that "God made Adam first, so women would always be second to men."

- A female assistant manager in Utah was told by her store manager that retail is "tough" and not "appropriate" for women.

- Managers have repeatedly told women employees that men "need to be paid more than women because they have families to support."

- A female personnel manager in Florida was told by her manager that men were paid more than women because "men are here to make a career and women aren't. Retail is for housewives

who just need to earn extra money."

You be the judge. Dr. Richard Drogin, a statistician at California State University at Hayward did an intensive study of Wal-Mart's gender practices. Here's a small sampling of his findings:

PROMOTIONS

- It takes women an average of 4.38 years from the date of hire to be promoted to assistant manager, while it took men 2.86 years.

- It took 10.12 years, on average, for women to reach store manager, compared with 8.64 years for men.

- Labor economist Marc Bendick Jr., comparing hiring practices at Wal-Mart and 20 other retailers, confirmed Drogin's studies when he found that 56.5 percent of the in-store managers at the

competitors' stores were female, compared with 34.5 percent at Wal-Mart.

Internal Wal-Mart documents disclosed on www.walmartclass.com acknowledge that Wal-Mart is "behind the rest of the world" in the promotion of women to management ranks.

FAIR PAY

- Female managers made an average salary of \$89,280 a year, while men in the same position earned an average of \$105,682 a year.

- Hourly workers who are women were paid 6.7 percent less than men in comparable positions.

- Instead of moving up, women are concentrated and stuck in the lowest paying jobs, comprising 92 percent of cashiers and 76 percent of sales associates.

- Female workers earn less than men for the same work — 5 to 15 percent less than men in the same clas-

sifications, even after taking into account factors such as seniority and performance. This equates to nearly 40 cents less per hour for hourly workers or nearly \$5,000 per year for managers. This divide in pay has been growing.

In addition, Wal-Mart's own workforce data reveals that women in every major job category at Wal-Mart have been paid less than men with the same seniority, in every year since 1997 even though the female employees on average have higher performance ratings and less turnover than men.

JOBS

Forbes magazine reports that despite the fact that women comprise over 70 percent of Wal-Mart's sales force:

- Men hold 90 percent of Wal-Mart store manager positions.

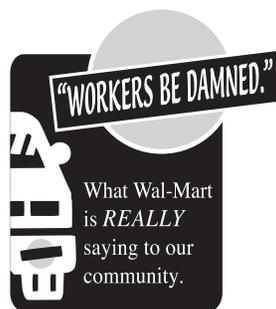
- Less than one-third of store management overall are female. Wal-Mart's competitors do much better — 56 percent are managers. And Wal-Mart's percentage today is lower than the percentage employed by its competitors back in 1975, some 30 years ago!

- There is only one woman among Wal-Mart's 20 top officers.

DEMEANING WOMEN

In charging widespread discrimination, Wal-Mart's female em-

—continued next page



By ED FINKELSTEIN
Labor Tribune Publisher
FIFTH IN A SERIES



A trained monkey

employees cite testimony and documents revealing that senior Wal-Mart managers use and endorse the use of demeaning stereotypes of women in the workplace, such as:

- Over objections from a woman executive, senior management regularly referred to female store employees as “little Janie Qs” and “girls.”

- Female managers were required to go to Hooters sports bars as well as strip clubs for meetings and office outings.

- The most senior human resources executive at Wal-Mart approves of Hooters as a place to have Wal-Mart meetings.

- In a photo distributed to Wal-Mart employees in the company newsletter, Jim Haworth, now Wal-Mart Stores CEO, is shown sitting in a chair modeled as a leopard skin spike heel.

- A Women in Leadership group, disbanded by Wal-Mart in the mid-1990s, found that “stereotypes limit opportunities offered to women” at Wal-Mart, such as “men are viewed as replacements, women are viewed as support” and “aggressive women intimidate men.”

“With demeaning attitudes toward women held by managers at all levels of Wal-Mart, it’s little surprise that we found women were being paid less and had far fewer chances of getting promoted into management than men,” said plaintiffs class action attorney Joseph M. Sellers of Cohen, Milstein, Hausfeld & Toll, co-counsel for the women.

“Wal-Mart needs to clean up its act,” he added. “This behavior is more reminiscent of the 1950s than the 21st century.”

WOMEN DON'T HAVE SAME 'JOB ASPIRATIONS'

Okay ladies, here’s the best part . . . are you ready?

In their appeal to the judge trying to avoid making the discrimination case a class action lawsuit, the *Washington Post* reports that Wal-Mart’s lawyers argued that the statistical differences between men and women were due to differing job aspirations and interests between men and women that exist in the general labor force and thus can’t be blamed on the company.

In other words, women don’t want to be paid more and don’t want to take better paying, more responsible jobs! Now do you still want to shop at Wal-Mart?

U.S. District Judge Martin J. Jenkins, who presided over the class action request, found that attorneys for the six named women who filed suit in 2001 “present largely uncontested descriptive statistics which show that women working in Wal-Mart stores are paid less than men in every region, that pay disparities exist in most job

categories, that the salary gap widens over time even for men and women hired into the same jobs at the same time, that women take longer to enter into management positions, and that the higher one looks in the organization, the lower the percentage of women.”

Joseph M. Sellers, a District attorney who is co-counsel for the women in the case, said the class-action certification is significant because “it’s going to open the courthouse doors for 1.6 million women, most of whom would never bring their case to court, many of whom have suffered in silence and probably given up on any chance to make things better.”

WOMEN: ‘SECOND CLASS CITIZENS’ AT WAL-MART

“Women are treated as second class employees at Wal-Marts from Florida to Alaska. This is not just an isolated or local problem. Wal-Mart has known about this for years and has refused to act,” says Brad Seligman, executive director of the Berkeley, California nonprofit foundation, The Impact Fund, that is coordinating the lawsuit on behalf of the women.

Wall Street analysts said the history of settlements in large corporate discrimination cases could mean Wal-Mart faces paying billions of dollars.

The class action lawsuit request is supported by 110 detailed sworn statements from women who worked in 184 different Wal-Mart stores in 30 different states, and includes testimony and exhibits gleaned from more than 100 Wal-Mart managers and executives who were deposed, Wal-Mart’s electronic payroll data and more than 1,200,000 pages of documents from Wal-Mart’s corporate files.

The women in the lawsuit are represented by The Impact Fund, Equal Rights Advocates, Public Justice Center (Baltimore) and the private law firms of Cohen, Milstein, Hausfeld & Toll, Davis Cowell & Bowe (SF) and Tinkler & Bennett (Santa Fe, NM and Honolulu, HI). Plaintiffs’ counsel include some of the most experienced class action and sex discrimination attorneys in the country.

A toll free number (1-877-WOMAN-WM (966-2696)) and a website have been set up for present and former female Wal-Mart workers to learn more about the case: www.walmartclass.com.

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Feeding at the public trough: Wal-Mart gets \$1 Billion 'free'

Conservatively \$170 million from Missouri, Illinois PLUS millions in free state health care for employees

While cities and states struggle with budget cutting that decimates public services, they are willing to give the world's largest and wealthiest corporation — Wal-Mart — over \$1 BILLION in public subsidies to build their stores. Missouri and Illinois conservatively provided \$170.24 million of that total. Wal-Mart earned over \$12.6 BILLION in profits last year.

This "free construction money" is in addition to the cost to subsidize health care for thousands of Wal-Mart employees who seek out public assistance because their wages are so low they cannot afford Wal-Mart's expensive health care plan. A recent study of 13 states found that Wal-Mart ranks at or near the top of the list of employers that are shifting to taxpayers the cost of providing health care for their workers.

A first-of-its-kind report by Good Jobs First (www.goodjobsfirst.org) documented conservatively \$1 BILLION in public aid for construction of Wal-Mart stores with Missouri and Illinois local and state governments listed among the most generous of givers along with California, Texas and Mississippi. The report is "Shopping for Subsidies: How Wal-Mart Uses Taxpayer Money to Finance Its Never-Ending Growth."

A March 2005 report, "The Wal-Mart Tax: A Review of Studies Examining Employers' Health Care Cost-Shifting," is a study of 13 states that have the ability to gather data of who is utilizing public health programs. Missouri Senator Tim Green has introduced Senate Bill 166 that would give Missouri the ability to gather the same information. But the Republican leadership of the state legislature has stopped the bill.

AID FOR 'POOR' WAL-MART

Between Missouri and Illinois governmental bodies, Wal-Mart conservatively received \$170.24 million in public aid for facilities and surrounding infrastructure construction!

● Missouri cities and state government provided Wal-Mart \$54.65 million in subsidies to 15 projects (see chart on page 13).

As of October 2004, Missouri had 133 Wal-Mart facilities throughout the state. Missouri ranks fifth in the nation in the number of Wal-Mart Supercenters. Overall, there are 46 Wal-Marts, 69 Supercenters, 14 Sam's Clubs and four distribution centers.

● Illinois cities and state government provided Wal-Mart \$115.6 million in subsidies for 15 projects (see chart on page 13).

As of October 2004, Illinois had 153 Wal-Mart facilities throughout the state. Illinois ranks fourth in the nation in the number of Wal-Marts. Overall, there are 78 Wal-Marts, 44 Supercenters, 28 Sam's Clubs and three distribution centers.

\$1 BILLION CONSTRUCTION SUBSIDY IS CONSERVATIVE

The \$1 Billion in government construction subsidies to Wal-Mart in 35 states reviewed by the report is considered to be conservative. The report relied on newspaper reports, Internet research and talking with state officials where possible. "The actual total is certainly far higher (than \$1 Billion), but the records are scattered in thousands of places and many subsidies are undisclosed," the report's executive summary noted. The company has 3,600 stores in all 50 states and another 1,570 overseas.

"I cannot believe Missouri is cutting help for children, the poor, and the disabled and is willing to give away money to the world's wealthiest corporation," said Jim Dougherty, president of Local 655, an affiliate of the United Food & Commercial Workers Union.

"The state legislature is looking for ways to cut expenses, they should look at the huge subsidies they are giving to corporations like Wal-Mart through tax abatement, tax credits and outright grants," he added. "Millions could be available for needy children, the disabled and the elderly, instead of subsidizing the likes of Wal-Mart, who certainly doesn't need any help to grow."

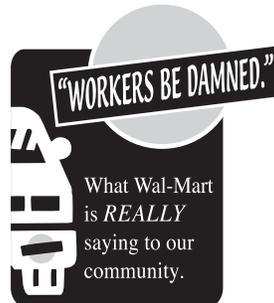
Added Dougherty: "Was this help really necessary to encourage Wal-Mart to build in their communities? We know they don't need the financial help, so why did political leaders cave in to Wal-Mart so easily?"

The "Shopping for Subsidies" report has the answer: where communities fought giving Wal-Mart public aid, the company "often proceeded with such projects without subsidies (which) suggests that the company did not need the assistance out of financial need."

The report found 244 cases in 35 states of public construction aid. They focused on one specific area: distribution centers since those were readily identifiable. Of the 244 cases, 84 were distribution centers; 90 percent of all the distribution centers built received some form of public subsidy. The others were the retail outlets.

According to an article in the Palm Beach Post in 2003, the situation has gotten so out-of-hand that the National Governor's Association passed a resolution stating that "The Governors believe that the public and private sectors should undertake cooperative efforts that result in improvements to the general economic climate rather than focus on subsidies for individual projects and companies."

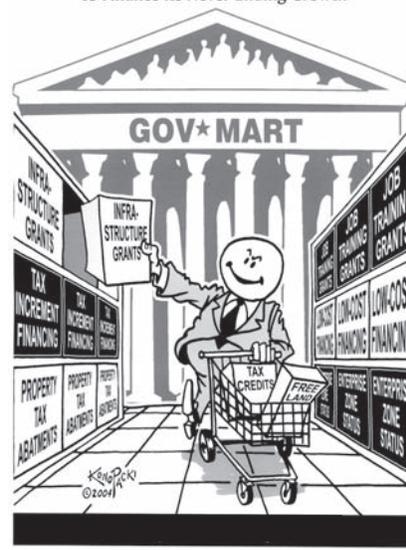
In our edition of March 24, the *Labor Tribune* Wal-Mart series —continued next page



By ED FINKELSTEIN
Labor Tribune Publisher
SIXTH IN A SERIES

Shopping for Subsidies:

How Wal-Mart Uses Taxpayer Money to Finance Its Never-Ending Growth





\$1 Billion free

outlined how Wal-Mart has been identified in a number of states as having huge numbers of its employees on public welfare, both for health care as well as food stamps and public assistance. This latest study, "The Wal-Mart Tax: A Review of Studies Examining Employers' Health Care Cost-Shifting," confirms all the state's studies and further documents even more than the *Labor Tribune* reviewed.

One of its key conclusions: "Wal-Mart is directly contributing to the nation's Medicaid crisis."

It also points up a serious trend Wal-Mart has ignited: "employ-

ers — including some that are highly profitable—are shifting onto taxpayers the costs of insuring their workers."

The report concludes: "Wal-Mart ranks at or near the very top of the list of employers that are shifting to the public the cost of providing health care for their workers."

How soon before public officials wake up to the fact that cities and states can no longer subsidize the world's wealthiest corporation because of the severe financial impact such actions are having on their citizens. After all, it's you and I who vote, not Wal-Mart. It's about time they started paying attention to their constituents.

Wal-Mart's public assistance*

Key: SC — Supercenter • Dis — Discount store • DC — Distribution center

MISSOURI				ILLINOIS			
Type of Store	Year Comp.	Total WM Subsidy**	Type of Store	Year Comp.	Total WM Subsidy**		
Cameron	SC	1995	\$2,100,000	Addison	Dis	2005	3,500,000
Chesterfield	Dis	1997	2,600,000	Belleville	Dis	1994	7,000,000
Eureka	SC	1995	5,300,000	Bloomington	SC	2002	1,500,000
Fenton	Dis	2001	10,000,000	Bridgeview	Dis	1992	6,700,000
Harrisonville	DC	no date	2,600,000	Country Club Hill	SC	2005	12,250,000
Kansas City	SC	2001	9,100,000	Evergreen Park	Dis	2005	5,250,000
Kirkwood	DC	1999	5,700,000	Moline	SC	1998	2,700,000
Mexico	SC	2005	500,000	Niles	Dis	1999	2,900,000
Moberly	DC	2002	1,650,000	Olney	DC	1997	48,700,000
Monett	SC	1999	1,750,000	Palatine	Dis	2004	3,500,000
Ozark	SC	2004	3,500,000	Rolling Meadows	Dis	2000	5,300,000
Republic	SC	2002	500,000	Spring Valley	DC	2001	7,300,000
St. James	DC	2001	1,600,000	Sterling	DC	2006	6,600,000
Wentzville	DS	2002	7,500,000	Vandalia	SC	2004	1,000,000
West Plains	SC	1994	250,000	Villa Park	Dis	1991	1,400,000
TOTAL			\$54,650,000	TOTAL			\$115,600,000

GRAND TOTAL

\$170,250,000

ABOUT THIS CHART

These are considered conservative numbers as authors had to use public records as sources to include the Internet, newspaper articles and public documents. They noted that this list does not include "subsidy deals that failed to gain press coverage or those reported in papers whose archives are not available. . . so the real total (of subsidies) is certainly much higher."

*Source: *Shopping for Subsidies: How Wal-Mart uses Taxpayer Money to Finance Its Never-Ending Growth*, May 2004 by Good Jobs First, Washington, D.C. Sub-

sidies were in a variety of forms: free or reduced priced land, infrastructure assistance, tax increment financing, property tax breaks, state corporate income tax credits and job training and recruitment funds, sales tax rebates, Enterprise zone (and other zone) status, tax exempt bond financing and general cash grants from either the state or the city.

** In developments where there were several major anchors, the authors took the total subsidy and divided it by the number of anchors to allocate Wal-Mart's portion of that subsidy.

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Wal-Mart encourages public welfare for health care

High costs, eligibility roadblocks keeps health care at bay for Wal-Mart's workers

While Wal-Mart attempts to trick the buying public into believing that it's an employer that provides health care benefits to its employees, the truth is that the company actually encourages employees to use public health care facilities and trains its managers to make sure it happens whenever possible.

Research by the *Labor Tribune* turned up a startling interview on a Public Broadcasting program with Bill Moyers. Reporter Sylvia Chase was talking with several former Wal-Mart managers. In a discussion of Wal-Mart's health care, former manager Jon Lehman let this pop out:

LEHMAN: "We were supposed to learn how to lead. They have a session where they teach you. . . how to direct associates. . . to look into your community and take full advantage of the ministries, the civic organizations, tax-based organizations, subsidy organizations within your community that'll help workers in need. For food, clothing, indigent healthcare, whatever."

CHASE: "It's institutional then. This is part of the Wal-Mart culture? Is that what you're telling me?"

LEHMAN: "Of course it is. Yeah."

In 2001, about 67 percent of Americans under age 65 got their healthcare coverage through their employer. By 2003, that number dropped to 63 percent while those under 65 getting government coverage increased to 12 percent from 9 percent. People still went to the doctor, the difference was who paid.

And in the case of Wal-Mart, you and I paid. . . through higher insurance premiums and less services as Wal-Mart employees moved to the dole for their health care.

To reinforce the reason for Wal-Mart employees' reliance on public health care is this startling statistic: only 31 percent of Wal-Mart's 1.6 million employees can afford the company's health insurance. That's compared to 84 percent of employees nationally who elect health coverage when their employer offers it.

WHY?

Almost two-thirds of Wal-Mart employees — about 1.1 million workers — don't have Wal-Mart insurance. Two main reasons: cost and eligibility. Here are the facts on both:

- Wal-Mart has increased the premium cost for its workers from 104 percent to 244 percent since 1993 while medical care inflation only went 50 percent in the same period, according to the Bureau of Labor Statistics and Wal-Mart plan documents.

- Deductibles range from \$350 for single coverage to as high as \$3,000 for family coverage.

- As a result of the plan's high cost and employees low wages, employees must rely on their spouse, their parents, Medicaid or state insurance programs or emergency room charity to meet their medical needs.

You do the math: on a wage of about \$8 an hour and 29-32 hours of work a week (\$232 to \$256 paychecks), many workers are forced to rely on state or federal programs, family members

or simply live without health insurance.

The average Wal-Mart employee would have to pay one fifth to one fourth of their paycheck for the company's health care coverage.

TOUGH ELIGIBILITY

Then there is the startling fact that Wal-Mart makes it difficult to even obtain eligibility. According to Wal-Mart's open enrollment bulletin of September 2001:

- Wal-Mart restricts access to family coverage: Part-time employees never can buy coverage under the Wal-Mart plan for their family members, and family coverage disappears if a worker slips from full-time to part-time status.

- In 2002, Wal-Mart required full-time employees to work six months before being eligible to purchase its health insurance. Part-time workers need to wait two years for eligibility and then only for single coverage, not dependent coverage.

- In 2002, the company raised the bar for new full-time workers from 28 hours to 34 hours per week to be eligible to purchase the health care coverage.

'KEEP WORKERS INELIGIBLE'

The tragic truth is that Wal-Mart doesn't want too many employees to be eligible for its health care!

Here's reporter Sylvia Chase on PBS talking with another former Wal-Mart manager, Stan Fortune:

FORTUNE: You were responsible for every line of your controllable expense. The group insurance was one.

CHASE: How do you do that? You've got a certain number of people that qualify for the plan.

FORTUNE: You counted on your turnover to get rid of some of the people that were ... actually eligible to get the insurance.

CHASE: So putting it in plain language you had to get rid of some workers. You had to replace them with part-time workers. You had to keep your workers un-eligible for health insurance coverage.

FORTUNE: If you if you wanted to reduce your cost you would keep your workers ineligible for coverage.

POOR COVERAGE

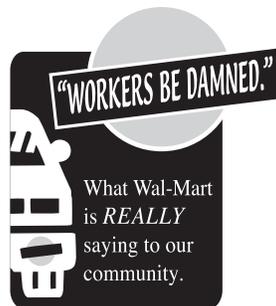
As part of one of the many lawsuits against Wal-Mart (this one over the company's policy of excluding contraceptive coverage) a company spokesperson explained in September 2002 that, "(Wal-Mart's health insurance plan) is oriented toward catastrophic coverage, with very little in the way of preventative benefits, regardless of gender."

EMPLOYEES' TRAGIC STORIES

The Internet is full of stories from former Wal-Mart employees about their health care. A few examples:

- A letter from a young man about his 60-year old dad who had worked for Wal-Mart for 15 years, had to work a second job to make ends meet and still couldn't afford Wal-Mart's health insurance.

- A story in the *New York Times* of Samantha Caizza, a single
—continued next page



By ED FINKELSTEIN
Labor Tribune Publisher
SEVENTH IN A SERIES



Encourages public welfare

mother of three, hired as a cashier in the Chehalis, Wash., store who says she was told by a personnel manager "to get a hold of the state" for coverage for her children.

● The story of Beverly Winston who says she turned to state-subsidized coverage for her children while working at Wal-Mart in Renton, Washington.

● The tragedy of Wal-Mart's treatment of its employees in the area of health care is dramatically portrayed in the PBS story by Sylvia Chase. Here she's interviewing Robert Padilla, a Wal-Mart employee in Nevada:

PADILLA: The first four years I had my kids on the state health plan of Nevada.

CHASE: After a rise in income, Wal-Mart butcher Robert Padilla's family became ineligible for Medicaid but he's never been able to afford Wal-Mart's health insurance.

PADILLA: I haven't been to a doctor in over six years.

CHASE: Why?

PADILLA: I can't afford the deductible and the premiums. And they don't cover certain things so it's crazy.

CHASE: What do you do? What do you do when you get sick?

PADILLA: Ride it out. Nothing else I can do.

Readers, is this the kind of company you want to spend your union dollars with?

STATES SUBSIDIZE WAL-MART'S HEALTH CARE: MORE EXAMPLES

Because of low wages and high premiums, Wal-Mart's employees simply cannot afford the company's health care plan. But they do get health care. . . only you and I pay for it while Wal-Mart rakes in \$12.6 BILLION in profits last year.

A March 2005 report, "The Wal-Mart Tax: A Review of Studies Examining Employers' Health Care Cost-Shifting," showed that more states are catching onto Wal-Mart because of their ability to collect the data (something Missouri and Illinois need to strongly consider doing):

● **Arkansas:** Providing health care coverage to Wal-Mart's employees cost Arkansas taxpayers as much \$16.2 million per year, a 40 percent share of the total maximum Medicaid spending for workers and their families. Wal-Mart tops the list of companies whose workers rely on public programs to meet their health care needs.

● **Connecticut:** Wal-Mart workers' cost Connecticut taxpayers \$5.4 million a year, or 13 percent of the \$43 million tab for the top 25 employers whose workers and children get health coverage under the state's programs. More than 11 percent of Wal-Mart's workforce in the state participates in the programs despite the fact that at least 70 percent work more than 30 hours per week.

● **Florida:** Wal-Mart has benefited from at least \$54.1 million in taxpayer-financed economic assistance in Florida since 1992, with more than 70 percent of that benefit projected to accrue in 2004 and 2005. Wal-Mart ranks first among Florida employers whose workers are eligible for Medicaid for themselves and/or their dependents.

● **Iowa:** Wal-Mart has benefited from almost \$17 million in taxpayer-financed economic assistance in Iowa since 1985. Wal-Mart leads Iowa employers in the number of workers on Medicaid, according to an analysis by the state's Department of Human Services.

● **Massachusetts:** Wal-Mart ranked first in the number of workers' dependents insured under MassHealth and third in the total number of workers and dependents receiving public health assistance. The total cost to Massachusetts taxpayers: \$2.9 million.

● **Tennessee:** One in every four Wal-Mart employees his or her health coverage through the states expanded Medicaid program. Wal-Mart ranks first among Tennessee employers with workers participating in the Medicaid program.

● **Texas:** Wal-Mart has benefited from more than \$100 million in taxpayer-financed economic assistance in Texas since 1983. Wal-Mart tops the list of employers in Texas whose workers must rely on public programs to get health care for their kids, three times more than the number of children whose parents work for the Houston Independent School District, the second highest-ranking employer on the list.

● **West Virginia:** Wal-Mart has benefited from more than \$9.7 million in taxpayer-financed economic assistance in West Virginia since 1989, with most of the benefit accruing since 1998. Wal-Mart has more than three times as many employees with children covered than the next highest-ranked employer.

● **Wisconsin:** It costs the state \$4.75 million a year for insuring Wal-Mart workers and their family members under the state's BadgerCare program. Wal-Mart has benefited from \$21.8 million in taxpayer-funded economic assistance in Wisconsin since 1993.

Wal-Mart is the richest, most profitable company in the world. Yet they cannot "afford" to provide all their employees with decent health care. In fact, they work hard to avoid providing that care. Is this the kind of company you want to spend your union paychecks with?

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Wal-Mart executive admits to hidden 'slush fund' to fight unions

Says he submitted phony invoices to cover-up illegal anti-union activities

It's the deep dark secret that everyone knew, but couldn't prove. Now a family feud at giant anti-union retailer Wal-Mart will shed some light on just how far the company is willing to go to bust unions trying to bring economic justice to its 1.6 million employees.

The existence of an illegal anti-union slush fund as part of a company program to suppress the democratic freedom of workers to make a choice for union representation at work came to light last week when Wal-Mart's Vice Chairman Thomas Coughlin, the second in command, told associates that he submitted personal expense reports to cover up operations of the illegal fund. He had just been ousted from the company's board of directors.

According to the *Wall Street Journal*, which broke the story, these revelations, if true, mean that Wal-Mart's anti-worker, anti-union program "would represent a criminal offense under the federal Taft-Hartley Act,"— a federal felony to pay employees to persuade co-workers to abandon support for union representation.

BRIBE CHARGES FILED

The United Food & Commercial Workers Union (UFCW) has filed unfair labor practice chargers with the National Labor Relations Board asking for an investigation of whether Wal-Mart "bribed" employees to block union activities. "Wal-Mart's actions seemingly involved the criminal misappropriation of company funds to create an illegal anti-union slush fund," the union said in filing its charges.

"The point of the UFCW filing this charge is simple," said UFCW Executive Vice President Bill McDonough. "The UFCW and the American people deserve to know what Wal-Mart knows about this 'union project' and when they knew it."

FAKE INVOICES TO COVER-UP?

The *Wall Street Journal* said that Coughlin was forced out two weeks ago as vice chairman of Wal-Mart Stores Inc., allegedly for misappropriating company funds by turning in false expense reports that totaled between \$100,000 and \$500,000. Among the reports, hunting vacations, a \$1,359 pair of custom-made alligator boots and a \$2,590 dog pen for Coughlin's Arkansas home.

Under the headline, "A Wal-Mart Legend's Trail of Deceit," the *Journal* reported that evidence suggested Coughlin "had subordinates create fake invoices to get Wal-Mart to pay for his personal expenses involving dozens of transactions over more than five years."

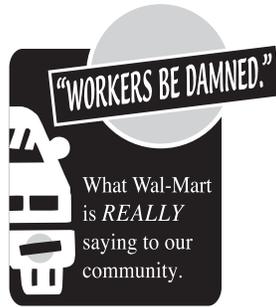
The *Journal* said Coughlin "told several Wal-Mart associates that the money was actually being used for anti-union activities, including paying union staffers to tell him of pro-union workers in stores. . . the fake invoices. . . were simply a roundabout way of compensating him for out-of-pocket expenses in his anti-union campaign."

Wal-Mart, of course, denies the charge.

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By ED FINKELSTEIN
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EIGHTH IN A SERIES

LOTS OF GUILT TO GO AROUND

However, Wal-Mart's vehement anti-union attitude is no secret. Wal-Mart has already been found guilty of illegally spying, bribing with promotions, firing and intimidating workers.

"We are deeply disturbed by these allegations of Wal-Mart's anti-union activity," stated UFCW Executive Vice President and Director of Organizing Bill McDonough. "These are serious criminal offenses and cast Wal-Mart's systematic anti-worker activities on a much more sinister level. Wal-Mart should not try and cover up its activities but should do the right thing and make all of the documents public immediately."

In a letter accompanying its labor board charges, the UFCW said it suspected that Wal-Mart "spread bribes in stores whose workers were actively organizing but abruptly abandoned their activity" in 13 states. Wal-Mart has 1.6 million employees worldwide, 1.3 million in the U.S.

The UFCW called on the company to publicize all documents connected with the U.S. attorney's criminal probe of the Coughlin case. Coughlin has asked Wal-Mart for a copy of all the documents they submitted to authorities. They refused to provide them.

Anti Wal-Mart campaign is working!

Are the efforts at exposing Wal-Mart for the monopolistic, anti-worker Godzilla retailer that it is having its impact with the buying public?

A spate of recent events say that just might be happening:

- Wal-Mart stock prices have stagnated. Last Friday, its shares hit a 52-week low and for the past five years, it has been stuck in a \$50 to \$60 trading range. Last Friday it closed at \$47.70.

- Wal-Mart fell off the lofty perch of being named Fortune Magazine's most admired company in America last year after being named number one the previous two years.

- Wal-Mart has launched a multi-million dollar public relations television and radio blitz touting itself as a good neighbor and good employer. (It's not working.)

- For the first time in its history, a week ago the company sponsored a two-day media event at its Arkansas headquarters to soft-sell the media and boost its image. (EDITOR'S NOTE: The *Labor Tribune* applied for credentials but once they learned we were the "union" paper, the credentials must have been lost in the mail! We never did get a return phone call.)

- The company has very visible legal problems including a case in which 1.6 million women are suing Wal-Mart in a class-action suit for gender discrimination, in addition to other lawsuits over dozens of issues.

The best way to reform Wal-Mart is to NOT SHOP there. There are plenty of stores with value and bargains. Check 'em out.

Wal-Mart: the destroyer of American companies, jobs

Millions of American jobs, families destroyed for 'low prices'

In the past four years, the United States has lost nearly one in nine manufacturing jobs, including 20 percent in durable-goods industries such as autos, which are generally good-paying union jobs with benefits and health care.

In a simple phrase, Wal-Mart can be considered a "company killer." In its drive for its "low prices," Wal-Mart has squeezed its suppliers and manufacturers alike to the point that they must go overseas to find cheap labor if they want to stay in business. And once overseas, even then companies are continually squeezed to the point that they look for even cheaper labor forces in other parts of the globe to meet Wal-Mart's demand each year that they cut their costs by 10 percent below the previous year.

That point was underscored by an extensive series on Wal-Mart in the *Los Angeles Times* in 2003 which concluded: "By squeezing suppliers to cut wholesale costs, the company has hastened the flight of U.S. manufacturing jobs overseas. By scouring the globe for the cheapest goods, it has driven factory jobs from one poor nation to another."

And because Wal-Mart has become their major buyer, companies have little choice — move overseas or go out of business!

That choice has not only been deadly for many companies, it has been the death knell for millions of American families, union and non-union alike. Wal-Mart's drive for ever lower prices has put millions of Americans out of jobs. And while it's not YOUR job today, it could well be tomorrow. Think about it: are you, willing to pay for Wal-Mart's "low prices?"

THE 'COMPANY KILLER'

A few of the sad examples of what Wal-Mart has done to American jobs and American manufacturers:

● **Huffy Bicycle Co.** — once was the leading manufacturer of bikes in America with plants in Ponca City, OK, Celina, Ohio and Farmington, MO. It began selling a line of cheap bikes to Wal-Mart. Because they could not meet a delivery demand for 900,000 bikes, and could not afford to lose Wal-Mart as a customer, they gave their designs for four of their high-end, most profitable bikes — and the profits that went with them — to rival manufacturers! Today, about 98 percent of all bikes are imported from overseas. Huffy made its last American bike in 1999.

● **Carolina Mills** — a 75-year old North Carolina firm supplying thread, yarn and textile finishing to apparel makers; half its customers supply Wal-Mart. It grew steadily until 2000. In the past three years, as its customers have gone either overseas or out of business, it has shrunk from 17 factories to 7, from 2,600 employees to 1,200. Its customers "have begun to face imported clothing sold so cheaply to Wal-Mart that they could not compete even if they paid their workings nothing," according to an investigation by *Fast Company* magazine in a 2003 article, "The Wal-Mart

You Don't Know."

● **Master Lock** — 250 union workers lost their jobs when Wal-Mart dropped the company's products and switched to an offshore competitor. Master Lock now has a factory in Nogales, Mexico, where it employs 800 workers.

"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?' But you can't buy anything if you're not employed. We are shopping ourselves out of jobs."

— Steve Dobbins, CFO
Carolina Mills

● **Levi Strauss** — the most revered and respected name in jeans, in 2003 started doing business with Wal-Mart. To provide low prices, it had to create a cheap jean — its Signature brand. And it had to change its manufacturing processes. It closed its last two U.S. factories in San Antonio and laid off

more than 2,500 U.S. workers, about 21 percent of its workforce. Some 22 years ago it had 60 clothing plants in the U.S.; today it has none. All its products are imported.

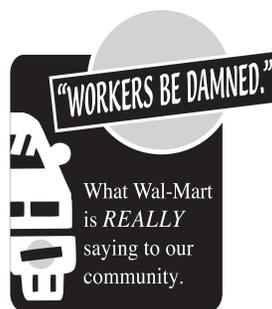
● **Rubbermaid** — the largest producer of consumer rubber products in the United States, and Wal-Mart sells by far the largest volume of Rubbermaid products of any retail store. In January 2001, Joseph Galli, the new chief executive officer, had an intensive series of meetings with Wal-Mart management. Since January 2001, Rubbermaid has shut down 69 out of its 400 facilities, and fired 11,000 workers. The equity research director at Associated Trust & Co., C. Mark Heaseldon, bluntly stated the reason, "To be able to meet the demands from key customers, like Wal-Mart... [Rubbermaid has] to become competitive in price." He added that Galli would have to "shift about 50 percent of production to low-cost countries." This could force the closure of an additional 131 Rubbermaid facilities, and the firing of an additional 20,000 workers.

● **General Electric** — one of the five biggest companies in America and the biggest producer of appliances, such as dishwashers, refrigerators, stoves, and TVs. The biggest outlet for GE goods is Wal-Mart. During the last few years, GE has conducted a large amount of outsourcing. The International Union of Electrical Workers, which represents GE workers, has estimated that during the last five to seven years, GE has fired more than 100,000 workers, one of the nation's biggest outsourcing massacres. Most of this work was outsourced to Mexico, China, and Asia in general.

● **Dial Soap** — sells 28 percent of its production to Wal-Mart. Under Wal-Mart pressure, Dial is shutting down its Compton, California plant and shifting work to Argentina.

● **Vlasic Pickles** — Wal-Mart sold a 3 gallon jar of whole pickles for \$2.97. Wal-Mart sold 240,000 gallons of pickles per week. But the price of the 3 gallon jar was so low, that it vastly undercut Vlasic's sales of 8 ounce and 16 ounce jars of cut pickles; further, Vlasic only made a few pennies per 3 gallon jar. With its profits tumbling, Vlasic asked Wal-Mart for the right to raise the price per 3 gallon jar to \$3.49, and according to a Vlasic executive, Wal-Mart threatened that if Vlasic tried to back out of this feature of the contract, Wal-Mart

—continued on back



By ED FINKELSTEIN
Labor Tribune Publisher
NINTH IN A SERIES



Destroyer of American companies

would cease carrying any Vlasic product. Eventually, a Wal-Mart executive said, "Well, we've done to pickles what we did to orange juice. We've killed it"—meaning it had wiped out competitor products. Finally, it allowed Vlasic to raise prices; but in January 2001, Vlasic filed for bankruptcy.

● **Toys 'R' Us** — On Nov. 17, 2003, announced that it would close 146 of the stores of its Kids 'R' Us subdivision, which sells clothing, as well as 36 of its Imaginarium stores (which sell "educational" toys and games). The shutdowns will be completed by Jan. 31, 2004, eliminating up to 3,800 jobs. Kids 'R' Us was unable to slash the prices of its children's clothing deeply enough to compete with Wal-Mart.

Moreover, Wal-Mart has launched an aggressive campaign, through cut-throat pricing, to destroy the parent company, Toys 'R' Us, the second-largest toy seller (after Wal-Mart) in America. As an example of how this strategy operates: The popular Hot Wheels T-Wreck Play Set toy sells for \$42 wholesale. However, according to the Nov. 19 *Wall Street Journal*, Wal-Mart is now selling that very toy at \$29.74, a loss of more than \$10 per unit. Wal-Mart sells 21 percent of all toys sold in America, and if it knocks out its leading competitor, its share could reach 30 percent.

● **Hoover** — a leading name in vacuum cleaners for nearly 100 years. During the third quarter of 2003, Hoover's vacuum-cleaner sales declined by 20 percent, which the company blamed on competitors' models priced at \$79—made in Asia to meet Wal-Mart's price demands—outselling Hoover's \$100-plus vacuums produced in the United States. Hoover's parent company, Maytag, is demanding cuts in health insurance and other benefits, plus changes in job-security rules for production workers at its Hoover vacuum manufacturing plant in North Canton, Ohio. If the workers don't cave in, Maytag has stated that it will move Hoover vacuum production to cheap-wage sites in Texas, and to maquiladoras in Ciudad Juárez, Mexico.

● **Lovable Company** — founded in 1926, makers of bras and lingerie, at one time was the sixth largest intimate apparel maker in the U.S. with 700 American employees and 2,000 more at eight factories in Central America. It did business with Sam Walton and Wal-Mart eventually became its biggest customer. In 1995, Wal-Mart unilaterally changed the conditions with Lovable on a contract that the company could not meet. Three years later, in their 72nd year, Lovable closed. "They leave a lot to be desired in the way they treat people," said Frank Garson II, Lovable president. "Their actions to pulverize people are unnecessary. Wal-Mart chewed us up and spit us out."

● **Lakewood Engineering & Manufacturing Co.**— Chicago, Illinois, manufactured 20" box fans. It cut costs to meet Wal-Mart's demands: automated production so that seven people did the work of 22, badgered suppliers to knock down their prices for parts. In 2000, it was forced to open a factory in Shenzhen, China, where workers earn 25 cents an hour, compared with \$13 in Chicago. About 40 percent of its products now are made in China.

And for union families who shop at Wal-Mart and think it's "smart" to be able to save a few dollars here and there, listen to the wisdom of Steve Dobbins, the CEO of Caroline Mills, one of the many companies destroyed by Wal-Mart's predatory practices:

"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?' But you can't buy anything if you're not employed. We are shopping ourselves out of jobs."

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Abused workers around the world make Wal-Mart products

Would you tolerate 24-hour work shifts; 9 cents an hour pay?

What our labor movement fought to end at the turn of the last century in America — the equivalent of slave labor in sweatshops, unsanitary and often dangerous working conditions, long hours, child labor low pay and no benefits — has raised its ugly head again.

This is thanks to the greed of Wal-Mart and our fellow Americans who are willing to park their consciences at the stores' doors in order to save a few bucks.

"I wonder — if it was their son or daughter or family member working under the conditions in Wal-Mart's foreign factories — would Americans continue to flock to Wal-Mart?" asked Jim Dougherty, president of Local 655, the neighborhood union affiliated with the United Food and Commercial Workers International Union.

"Wal-Mart's alleged 'low prices' come at a very steep human price on children and adults alike," Dougherty said. "I wonder if Americans would continue to shop at Wal-Mart if they realized the working conditions that people are forced to endure in factories that manufacture Wal-Mart products overseas?"

The *Labor Tribune* has compiled a startling picture of Wal-Mart's overseas operations as part of a continuing series to explain how and why Wal-Mart has become the wealthiest, most-profitable and most-unconscionable company in the world, bigger than General Motors, ExxonMobil and General Electric, all icons of American industry.

The latter three provide decent wages, benefits and working conditions for their workers. Wal-Mart does not.

RACE TO THE BOTTOM

Wal-Mart has become a predominant, if not pre-eminent, force in the world's most-underdeveloped nations. The consulting firm Retail Forward estimated in 2003 that Wal-Mart imported 50 to 60 percent of its merchandise.

"Wal-Mart is in the driver's seat in the global race to the bottom, suppressing wages levels, workplace protections and labor laws," said U.S. Rep. George Miller (D-Calif.), who has done extensive research on the company. "There is no question that Wal-Mart imposes a huge, often hidden, cost on its workers, our communities and U.S. taxpayers."

Business Week reported that in 2002, Wal-Mart imported \$12 billion worth of goods from China alone, which represented 10 percent of all U.S. imports from that country.

In 2004, Wal-Mart's web site boasted that its Chinese imports increased to \$18 billion, a 50 percent increase. Internationally, Wal-Mart is the largest importer of Chinese goods.

Fast Company magazine, in a December 2003 story entitled, "The Wal-Mart You Don't Know," said flatly: "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. . ."

SWEATSHOP CONDITIONS

And how does Wal-Mart earn its profits? On the backs of foreign workers — men, women and children.

Here are only a few of their stories, based on articles printed around the globe:

● 9 cents an hour: "Bangladesh workers earn as little as 9 cents an hour making shirts for Wal-Mart," reported *USA Today*.

● 20-hour shifts or fired: The Kathie Lee clothing label (made for Wal-Mart by Caribbean Apparel in Santa Ana, El Salvador) uses sweatshop conditions and forced overtime.

It is common for the cutting and packing departments to work 20-hour shifts, from 6:50 a.m. to 3 a.m.

Anyone unable or refusing to work the overtime hours will be suspended and fined and — upon repeat "offenses" — will be fired. This factory is in an American Free Trade Zone, says The National Labor Committee.

● Locked bathrooms: The same National Labor Committee reported, "Some of the abuses in foreign factories that produce goods for Wal-Mart include: Forced overtime, locked bathrooms, starvation wages, pregnancy tests, denial of access to health care, and workers fired and blacklisted if they try to defend their rights."

● Workers have no options: Thanks to a ban on independent trade unions and a lack of other basic human rights, China offers Wal-Mart a highly-disciplined and cheap workforce. A Chinese labor official who asked to remain anonymous for fear of punishment told the *Washington Post*, "Wal-Mart pressures the factory to cut its price, and the factory responds with longer hours or lower pay. And the workers have no options."

● No salary boost in four years: One employee of a Chinese supplier described the difficulties of surviving on \$75 per month. She could rarely afford to buy meat, and her family largely subsisted on vegetables. Over four years, she had not received a single salary increase, reported the U.S. House of Representatives' Committee on Education and the Workforce.

24-HOUR SURVEILLANCE

The National Labor Committee also reports that in Wal-Mart's China factories:

● Clothing is usually sewn by young women, 17 to 25 years old (at 25, they are fired as 'too old'). They are forced to work seven days a week, often past midnight for 12 to 28 cents an hour, with no benefits.

● Women are housed in crowded, dirty dormitories, 15 to a room, and fed a thin rice gruel.

● Workers are kept under 24-hour-a-day surveillance and can be fired for even discussing factory conditions.

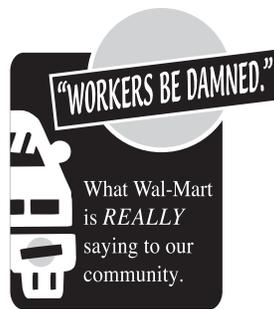
● The factories in China operate under a veil of secrecy, behind locked metal gates, with no factory names posted and no visitors allowed.

● China's authorities do not allow independent religious, human-rights or women's groups to exist, and all attempts to form independent unions have been crushed.

PREGNANT MUST QUIT

● Violate women's rights: In Bangladesh garment factories, where Wal-Mart clothes are manufactured, an estimated 90 percent of the more than 3,780 export garment factories violate women's legal right to three months' maternity leave with full pay.

—continued on back



By ED FINKELSTEIN
Labor Tribune Publisher
TENTH IN A SERIES



Abused workers

Some companies harass and pressure the pregnant women to quit. Others give the leave but will only take the women back as new employees. Only a handful of companies pay the benefits. The vast majority of factories simply cheat the women, The National Labor Committee reported.

● 24-hour shifts: In Honduras, where Wal-Mart clothes are sewn, there are mandatory 24-hour shifts. If workers do not stay, they are fired; pay is 43 cents an hour.

● No clean drinking water: Sheikh Nazma, a former child laborer in Wal-Mart's Dhaka, Bangladesh, garment factory, said the factory had no clean drinking water and only a few filthy toilets for hundreds of employees. The plant once refused to pay wages for three months.

● Two sets of books to hide abuses: Sayeeda Roxana Khan, another former Dhaka, Bangladesh, factory manger, said that to fill orders on short schedules, factories often force their employees to work overtime or stay on the job for weeks without a day off. To conceal such practices, some factories keep two sets of books.

● Continuous work weeks: Khadija Akhter, 22-year old worker who performed final checks on men's shirts and trousers in a Dhaka factory, said employees often worked from 8 a.m. to 3 a.m. for 10-15 days at a stretch to fill big orders from Wal-Mart. Exhausted, she quit after a year and took a lower-paying but less-grueling job.

EIGHT TO A ROOM

● \$1.81-a-day pay: At the Gladpeer Garment Factory in Dongguan, China, 1,200 workers, mostly young women, are paid about \$55 a month (or \$1.81 a day) and live in cramped dormitories, eight to a room.

● Cuts in working conditions: In Germany, management threatens to close stores if shop stewards do not accept cuts in personnel and poorer employment conditions.

● Two shirts a minute: Isabel Reyes worked in the Cosmos clothing factory in San Pedro Sula, Honduras, for 11 years.

She sews sleeves onto shirts at a rate of 1,200 a day, or two shirts a minute, or one sleeve every 15 seconds. She earns \$35 a week.

She says she can't lift a cooking pot or hold her infant daughter without the anti-inflammatory pills she gulps down every few hours. "The goals are always increasing, the pay stays the same," she said.

Wal-Mart is the Cosmos factory's main customer. While Wal-Mart says it does not tolerate child labor or forced or prison labor, the company refuses to reveal its Chinese contractors and it will not allow independent, unannounced inspections of its contractors' facilities.

"Wal-Mart has such a strong command over the retail market that it alone affects the wages of many workers and the fate of many factories around the world," the *Los Angeles Times* reported in a recent series about Wal-Mart and its abuses.

The series described how Wal-Mart's demands dictate lower wages, harder work and longer hours while eliminating jobs in factories across the globe — from Honduras to China.

"No longer is this humongous corporation putting only America's factories out of business, it has now turned to pitting factories in countries around the world against each other in an impossible race to the bottom," the *Times* said.

NO WAL-MART STOCK

Providing witness to Wal-Mart's terrible corporate approach to business, KLD & Co., a firm that provides social research for institutional investors, removed Wal-Mart from its Domini 400 Social Index (The Domini 400 is a benchmark index for

measuring the effect of social screening on financial performance) two years ago.

Why this drastic measure? In a news release on the removal, KLD & Co. said it acted because:

● "Sweatshop conditions" existed at Wal-Mart's overseas vendors' factories.

● Wal-Mart hasn't done enough to ensure that its vendors meet "adequate labor and human rights standards."

● Wal-Mart hasn't been forthright about its involvement with a Chinese handbag manufacturer alleged to have subjected workers to 90-hour weeks, exceptionally-low wages and prison-like conditions.

Newspaper columnist Harold Meyerson, editor-at-large for *The American Prospect* in the *Washington Post*, said it best:

"No other American company has done as much to destroy what's left of the U.S. clothing and textile industry or been so loyal a friend to the dankest sweatshops of the developing world."

FEDERAL OVERSIGHT?

One would think that with all Wal-Mart's abuses, well-documented in the press for at least a decade, the U.S. government would step in to stop the abuse.

"Wal-Mart is undercutting labor standards at home and abroad, while those federal officials charged with protecting labor standards have been largely indifferent," said a damaging report on the government's lack on intervention published last year by the U. S. House of Representatives' Committee on Education and the Workforce.

Again we ask: Are working people still willing to spend their hard-earned union wages in a store that abuses every worker it comes in contact with, here and abroad?

Thousands of Americans died to create today's union-negotiated working conditions, wages and benefits.

Every dollar spent at Wal-Mart is a strike at the heart of what those courageous trade unionists did for you and me.

Join new Wal-Mart activist group

Interested in joining a new national activist program to bring American standards of social and economic responsibility to Wal-Mart? Become a Wal-Mart Activist to help bring justice to workers everywhere who are being abused by this "Godzilla of retailers."

NAME (please print) _____

Address _____

State & ZIP _____

Phone: (____) _____ Cell: (____) _____

E-mail: _____

Best time to reach you? _____ a.m. _____ p.m.

Mail to Cynthia Blackmon, UFCW 655, 300 Weidman Rd., Ballwin, MO 63011 or fax to (636) 394-5006.

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Wal-Mart treats its employees like dirt!

45 percent turnover rate tells the story of unhappy employees

Wal-Mart not only pays its employees pitiful wages, it treats them like dirt!

Wal-Mart is spending tens of millions of dollars on television to clean up its image; it has 1.6 million employees yet we see less than a half dozen trying to convince the skeptical American public that it's a great place to work. There are bound to be a few who find Wal-Mart a good place to work, after all, the managers who are so prominently featured on their ads are earning about \$95,000 a year.

But when it comes to their regular employees, it's a totally different story.

And the proof of the pudding is the company's turn-over rate: in 2002, the latest numbers available, some 45 percent of the company's employees left. That means the company must hire, and re-train, some 500,000 new employees just to remain even. If that rate holds true today, with its 1.6 million employees, it would have to hire and train 700,000 – 800,000 new employees every year.

So much for Wal-Mart being the "ideal" employer it likes to portray itself!

And why do employees leave? Here are only a few examples garnered from the myriad of news articles and web sites where former employees are willing to tell their story. You be the judge. Is this the kind of retail place you want to spend your hard-earned paycheck? Would you work in a place like this, or want your children to work there?

● In St. Louis, the Missouri appeals court ruled in early May against Wal-Mart because the company refused to pay for a worker's hernia suffered when she was injured lifting 50-pound sacks of dog food at the St. Charles store. The court, saying it was "very egregious and outrageous" that the company refused to pay the medical bills, also awarded attorney's fees. Previously, an administrative law judge ordered Wal-Mart to pay Linda Monroe's medical bills incurred some 18 months ago. Wal-Mart claimed her injury was not work-related and then fired her about a week after it happened.

● Had to seek Supreme Court directive: In 1997, Clint Lowe, a Tennessee employee, was struck on his head by a large flowerpot that knocked him off a ladder; he was awarded benefits for 50 percent permanent partial disability, 90 weeks of temporary total disability, and all medical expenses. Not being satisfied with the medical advice from doctors recommended by Wal-Mart and being refused names of additional doctors, he went to the doctor he saw in a 1988 accident. This doctor referred Lowe to an orthopedic surgeon. Wal-Mart refused to pay for the expenses. Ultimately in 2002 the Tennessee Supreme Court ruled in his favor, stating that Lowe was justified in seeking additional medical services.

● Concealed previous accidents: Wal-Mart has been sued numerous times on the grounds that injuries or deaths could have been prevented if Wal-Mart had not conceal documents regarding previous accidents. Bernadine Davis filed one of these lawsuits

over the death of her husband, who was killed 10 years ago in a loading-dock accident at a Sam's Club. She was awarded \$2 million, on the grounds that the company concealed an internal memo regarding previous dock accidents.

● Wal-Mart shuttered its store in Jonquiere, Quebec rather than work with its employees who voted in February 2005 to join the United Food and Commercial Workers (UFCW). 200 families lost their livelihood.

● A California group has begun publicizing the case of a former Wal-Mart employee, Marco Guillen, who twice missed the company's annual enrollment deadline for health insurance. The first time, he said, was because he was confused about his eligibility. The second time was because he was in a coma after being in a car accident. His medical bills were about \$1 million and were paid by the state's Medi-Cal version of Medicaid.

● Former Wal-Mart cashier Dana Mailloux, 33, worked for eight years at a store in Fort Myers, Fla., moving up to \$9.15 an hour. In the fall of 2003, her manager called her and more than a dozen other longtime employees into his office and told them he had to lay them off because of lack of work. That same day, Mailloux said, she passed a room with six new hires, red vests in hand, filling out paperwork. Returning to the store that weekend, she said, she saw newly advertised positions listed on a bulletin board. "Basically, I was thrown out like a piece of trash," said Mailloux.

● In 2002, the National Labor Relations Board (NLRB) issued a complaint against a Wal-Mart in Texas regarding health and safety threats made by management against employees. The complaint charged that company official told workers that any costs or fines

resulting from worker complaints regarding unsafe conditions filed with the Occupational Safety and Health Administration would come out of employee bonuses.

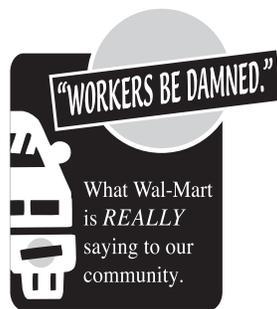
● According to a January 18, 2004, *New York Times* report, Wal-Mart has a "lock-in" policy at up to 10 percent of its Wal-Mart and Sam's Club stores. The stores lock their doors at night so that no one can enter or leave the building, leaving workers inside trapped. Some workers have been threatened that, if they ever use the fire exit to leave the building, they will be fired. Instead, a manager is supposed to have a key that will unlock doors to allow employees to escape.

Many workers have found themselves locked in without a manager who has a key. Locked-in workers have had to wait for hours off-the-clock for a manager to show up to let them go home after they completed their shift.

One worker claims to have broken his foot on the job and had to wait four hours for someone to open the door.

Another worker alleges she cut her hand with box cutters one night and was forced to wait until morning to go to the hospital, where she received thirteen stitches.

—continued on back



By ED FINKELSTEIN
Labor Tribune Publisher
ELEVENTH IN A SERIES



Employeers like dirt

Join new Wal-Mart activist group

Interested in joining a new national activist program to bring American standards of social and economic responsibility to Wal-Mart? Become a Wal-Mart Activist to help bring justice to workers everywhere who are being abused by this "Godzilla of retailers."

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Best time to reach you? _____ a.m. _____ p.m.

Mail to Cynthia Blackmon, UFCW 655, 300 Weidman Rd., Ballwin, MO 63011 or fax to (636) 394-5006.

● According to a *New York Times* report: "Verette Richardson, a former Wal-Mart cashier in Kansas City, Mo., said it was sometimes so hard to get a break that some cashiers urinated on themselves.

● Bella Blaubergs, a diabetic who worked at a Wal-Mart in Washington State, said she sometimes nearly fainted from low blood sugar because managers often would not give breaks."

Published on May 12, 2005



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Wal-Mart is destroying America's unionized food industry

St. Louis lost 5,800 union jobs; expansion threatens thousands more

If there ever was a clear example of how Wal-Mart destroys good union jobs for American workers, it is in the food industry.

And because St. Louis is one of the most-highly-organized food industries in the nation, there could be as many as 12,000 to 13,000 jobs at stake — jobs with decent wages, health insurance and benefits.

The threat is real: In the past two decades, traditional unionized grocers here have lost 50 percent of the food business to non-traditional stores like Wal-Mart.

Missouri ranks fifth in the U.S. with the most Wal-Mart Supercenters; Illinois ranks fourth with the overall number of Wal-Mart stores.

It is estimated one Wal-Mart Supercenter eliminates 200 union grocery jobs and, with it, union wages and benefits. On average, Wal-Mart's wage and benefit package is about \$10 an hour less than those offered in unionized supermarkets.

Already in St. Louis, an estimated 5,800 union food jobs have been lost. And with Wal-Mart's aggressive expansion plans for this region, the existing union jobs are at stake.

While Wal-Mart has built its Supercenters mainly on the outskirts of the St. Louis region, future plans call for more of them in the heart of the metro area.

If and when that happens, Wal-Mart's influence is expected to have a major impact on St. Louis jobs as its buying spheres (a five-mile radius) will encompass almost all of the area's union supermarkets (see diagrams on page 8).

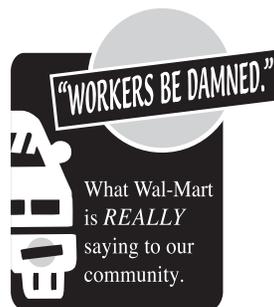
NEGATIVE LOCAL IMPACT

It's important for all union members to understand just how serious an impact shopping at a Wal-Mart is for local union grocery workers — UFCW and Teamsters — and their families:

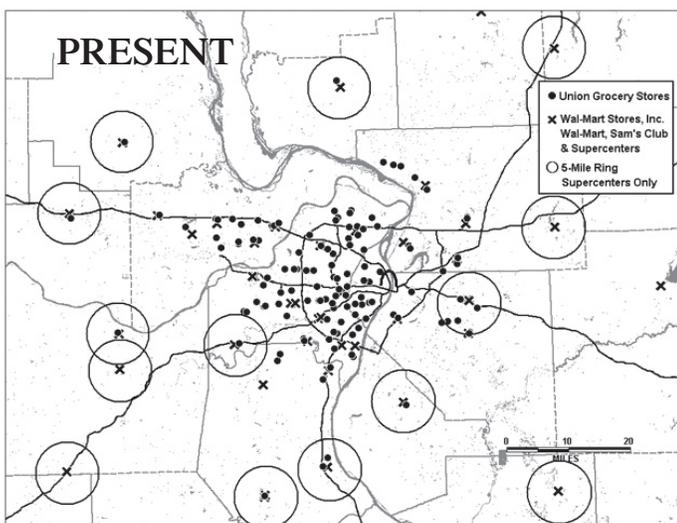
- Less than 50 percent of groceries are now purchased from union operators (one time, it was almost 100 percent).
- For every Wal-Mart job created, one-and-a-half other jobs are lost.
- While union supermarkets provide healthcare and other fringe benefits for about 95 percent of their employees, Wal-Mart provides health care to only about 31 percent of its employees — and probably even fewer have pensions.

● In the past five years, Schnucks alone has been forced to close six area supermarkets because of the impact of nearby Wal-Mart stores.

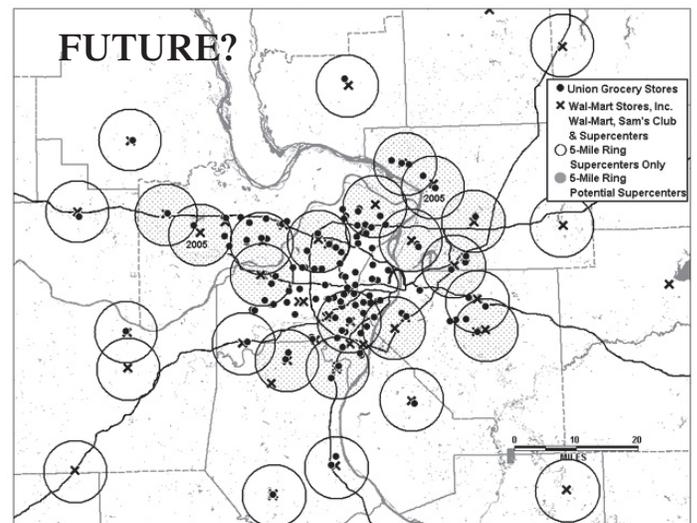
● Most groceries now are delivered from non-union warehouses, with an additional 1,500 Teamster union warehouse jobs lost. Today,



By **ED FINKELSTEIN**
Labor Tribune Publisher
TWELFTH IN A SERIES



DESTROYING UNION JOBS? The map on the left indicates Wal-Mart's current impact from its Supercenters on existing union grocery stores, indicated as dots. The circles represents a five-mile radius considered to be the store's customer draw area. The map on the right indicates what could happen if



Wal-Mart builds all the Supercenters it projects for this region. At least 10,000 or more union jobs are at stake. Based on all the information provided in the Labor Tribune's on-going series about Wal-Mart, union members and their families should have plenty of reasons to not shop at Wal-Mart.

—continued on back



Wal-Mart is destroying

there are about 465 union Teamsters in warehouse jobs, compared to more than 2,000 in past years.

● Wal-Mart sucks an estimated \$23.5 million a week — \$1.3 billion annually — from the region’s grocery stores (and more than \$47 million a week in total sales).

NATIONAL IMPACT

According to a report from the Committee on Education and the Workforce of the U.S. House of Representatives, the national supermarket industry has lost 13,500 stores since 1992. The report estimated that for every Wal-Mart Supercenter that opens, two traditional grocery stores close.

A research group that tracks the supermarket industry reported that after Wal-Mart began selling groceries, some 25 regional supermarket chains around the nation have closed or filed for bankruptcy protection by November 2003, thus eliminating 12,000 (mostly union) jobs.

During the next five years, Wal-Mart plans to open an estimated 1,000 new Supercenters across the U.S.

While Wal-Mart has only 19 percent of America’s food sales today, it is estimated that in two years, Wal-Mart will control 35 percent of the nation’s food and drug sales.

“Unless American unions can find the political leverage to block Wal-Mart’s expansion into non-Southern metropolitan areas, the company poses a huge threat to the million or so unionized clerks who work at the nation’s major supermarket chains,” wrote Harold Meyerson, a columnist for the Washington Post.

UFCW STRIKES BACK

Local 655 of the United Food and Commercial Workers Union in St. Louis, is not sitting on its hands. Several years ago, the union’s St. Louis Metropolitan Food Division members authorized a \$1 per month check-off to fight back.

The union has successfully funded picketing campaigns and local grassroots efforts to stop Wal-Mart’s expansion into local communities.

Local 655 also created an extensive radio advertising campaign to expose how bad an employer Wal-Mart really is. That campaign must have had a major impact on local sales because, after it was on the air for several weeks, Wal-Mart threatened local radio stations with a lawsuit unless they stopped running the ads.

But because the ads were true, the stations continued running them — despite Wal-Mart’s blustering. In fact, Wal-Mart got a black eye in the local and national press for trying to squelch free speech. The *St. Louis Post-Dispatch* even ran an editorial cartoon lampooning the company.

The union is planning a second major drive to fight Wal-Mart and other “big box” stores. It will be part of a new national effort by the UFCW international union, which has established a new department to take on Wal-Mart.

The union’s “Love Mother, Not Wal-Mart” project (as described in the May 5 issue of the *Labor Tribune*) was the first national effort by the union’s Wake Up Wal-Mart Campaign designed to unite America behind bringing American standards of social and ethical accountability to Wal-Mart.

“We will have a number of surprises in store for Wal-Mart in the coming months and years,” said Local 655 President Jim Dougherty.

“But the biggest impact on Wal-Mart would be to have union members not shop there,” Dougherty said. “We are still seeing too many union bumper stickers on cars on Wal-Mart parking lots. If union members simply would stop shopping at Wal-Mart, it would have a major impact on that company and send Wal-Mart a strong message that America — and especially American union families — will not continue to tolerate their killing of American jobs and taking advantage of American workers.”

David Cook, Local 655’s secretary-treasurer, has been appointed to lead the local effort. The union has a local planning team that will devise and implement an aggressive local effort.

“Our goal is to launch a massive educational effort with the general public,” Cook told the *Labor Tribune*. “We are in the process of building a coalition with other unions to take the message public through a lot of other communications channels. This is not just the UFCW’s problem. It’s America’s problem.”

Cook said anyone interested in helping in the “Wake Up Wal-Mart” campaign should fill out the form on the next page of the *Labor Tribune* and fax or mail it back to Local 655.

“The UFCW is in the process of selecting a number of key target cities to launch its targeted Wal-Mart campaign. We need a lot of volunteers in order to be one of those cities,” Dougherty said. “We encourage union members to join us.”

The *Labor Tribune*’s ongoing series on Wal-Mart was a direct result of Local 655’s efforts to publicize to union families just how



Union members take note: Why cut your own throat?

Wal-Mart is against everything union members work for: Fair pay, health care, pensions, paid vacations, respect.

Labels and logos

The May 1 Wal-Mart story mentioned labor union concerns. There should be none. Wal-Mart has profitable St. Louis stores because it is supported by labor union members. On your next visit, check out all the T-shirts with union-local logos. I suggest they change stores, change T-shirts or stop complaining.

Don Bera
Eureka

And yet, union members continue to shop at Wal-Mart. Here’s a letter that ran May 10 in the *St. Louis Post-Dispatch* from a reader in Eureka. It makes a critical point.

“That’s a critical issue: Union members shopping at Wal-Mart, spending their union-negotiated paychecks to help support a company that is against everything their union is fighting for to help them,” said Jim Dougherty, UFCW Local 655 president.

“Wal-Mart is impacting every area of the economy, not just food, and the company is sending hundreds of thousands of American jobs overseas. Every American, and especially union members, should avoid Wal-Mart at all costs since their own job could be on Wal-Mart’s chopping block next. When a union member shops at Wal-Mart, he or she is cutting their own throat,” Dougherty reminded *Labor Tribune* readers.

—continued next page



Wal-Mart is destroying

important it is to not shop at Wal-Mart.

UNION IS BETTER

Realizing the overall impact good union jobs have on a local economy, here are several key issues that remind us all why it's important to save union jobs — especially union grocery jobs.

Supermarket industry workers represented by the UFCW:

- Earn 31 percent more than their non-union counterparts.
- Women have a 33 percent wage advantage.
- Are two-and-a-half times as likely to have pension coverage.
- Are twice as likely to have health insurance coverage.

IMPACT ON US ALL?

And why is this important to all of us?

Floyd J. McKay, a reporter for the *Seattle Times*, in a series last year entitled, "Wal-Mart Nation: The Race to the Bottom," wrote:

"Wal-Mart . . . epitomizes the race to the bottom that has the United States by the throat as the 21st century opens...As jobs in America are lost to foreign sweatshops to feed the Wal-Mart engine, American workers are forced to accept jobs at lower pay, with bad working conditions. They are funneled to Wal-Mart's promise of cheap goods, in effect patronize the very companies that caused their economic misery.."

Wal-Mart feeds off poverty, and it is quickly becoming a major cause of it as it forces American companies to ship jobs overseas, putting tens of thousands, if not millions, of Americans out of work.

Let us ask the working men and women and families of St. Louis and Southern Illinois, to workers everywhere: Is this the company you want to spend your hard-earned union paychecks with?

Every dollar you spend at Wal-Mart is another nail in the coffin of an American job, a union job. How long before it's your job?

Join new Wal-Mart activist group

Interested in joining a new national activist program to bring American standards of social and economic responsibility to Wal-Mart? Become a Wal-Mart Activist to help bring justice to workers everywhere who are being abused by this "Godzilla of retailers."

NAME (please print) _____

Address _____

State & ZIP _____

Phone: (____) _____ Cell: (____) _____

E-mail: _____

Best time to reach you? _____ a.m. _____ p.m.

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Wal-Mart: world's wealthiest firm shares a pittance on pensions

Two pension plans mirror the shameful treatment of their employees

While earning \$12.6 Billion in profits last year on sales of \$285.2 billion, Wal-Mart shared a pittance of that amount on pensions for its employees.

Oh yes, Wal-Mart does have a pension program, two in fact. And as a mirror companion to their low wages, abominable working conditions and shameful treatment of their employees, Wal-Mart's pension plans are at the bottom of the heap when it comes to rewarding employees for their loyal service. And neither plan has defined benefits. Both are tied directly to Wal-Mart's stock, which means the company has shifted risk to its employees.

In 2001, the company paid each employee a princely sum of \$440 into their retirement plan. In 2003, it was estimated at \$302 a year.

\$1.2 MILLION AN HOUR IN PROFITS, 17 CENTS FOR PENSIONS

While Wal-Mart in 2004 generated \$1.2 million an HOUR in profits (that's \$20,000 a MINUTE and \$28.8 million a day), their \$440 contribution into employee pensions amounted to about 26 cents an hour based on the average 32 hours a week worked by sales associates (hour data compiled by Dr. Richard Drogin in his unique March 2003 report, "A Statistical Analysis of Wal-Mart Gender Patterns").

Their cashiers earned a bit more into their pension: 29 cents an hour based on the same data.

In 2003, that contribution amounted to about 17 cents an hour for a full-time employee.

Seventeen to 29 cents an hour!

Of that grand sum of \$440 for the entire year of 2001, the company's federal 5500 reporting form obtained by the United Food & Commercial Workers Union shows:

- An annual average employer contribution of approximately \$200 into the company's 401(k) plan.

- In the profit sharing plan, each employee earned an annual average employer contribution of \$240, which is calculated based on three percent of annual earnings.

But that's only part of the story. According to the UFCW's web site that tracks Wal-Mart, the company has shifted risks to employees by concentrating the 401(k) pension funds in their own stock. The plans are Enron-like — with 80 percent of their combined assets invested in Wal-Mart stock.

Consider that from January 2000 to January 2003, the average adjusted share price of Wal-Mart's stock lost nearly a fifth of its value, according to Standard & Poors Historical Stock Prices listings.

WAL-MART STOCKS HIT HARD

And more recently, Wal-Mart's stock has been in decline.

- Their first quarter profits were BELOW Wall Street projections.

- Their sales growth was only 9.5 percent, its smallest in nine

quarters.

- Wal-Mart's same-store growth was only 2.9 percent compared to the number two retailer and Wal-Mart's largest competitor, Target, whose growth was 6.2 percent.

- As a result of this slowing performance, Wal-Mart's stock share fell 95 cents, or two percent to \$47.65 on May 12. Prior to that, they had already dropped 11 percent in the last year while Target grew 8.8 percent. Target shares were selling at \$48.80.

By being concentrated in one security, employees' retirement plans are subject to the whims of one stock rather than having the safety of a diversified portfolio.

WE SUBSIDIZE WAL-MART, AGAIN

And once again the public — you and I — are helping the world's largest and richest corporation because inadequate Wal-Mart retirement benefits and wages shifts retirement costs onto communities. When employees retire without adequate savings and benefits, they are less able to pay for health care, housing, and food and are more likely to become a burden on society and the local government.

But why should we be surprised?

- Wal-Mart's poor health care plans force their employees into public health care facilities at the cost of millions of dollars of free care for Wal-Mart workers, so we pay their health care tab.

- Wal-Mart's demands of communities for billions of dollars in public monies to help build their stores through Tax Increment Financing

and other legal but dubious funding schemes means less monies to public schools, fire district, community colleges and the cities themselves, so we help pay their construction tab.

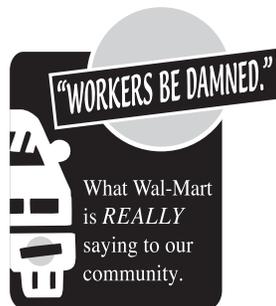
And to add insult to injury, Wal-Mart opposed a Senate bill that would have given employees more say over their retirement plans. Introduced in the wake of the Enron debacle, where workers lost pensions because of excessive investment in Enron stock, this legislation would have allowed employees to diversify their 401(k) and profit-sharing investments.

In stark contrast, workers represented by the UFCW and other unions are two-and-a half times more likely to have decent employer-paid pension coverage than non-union workers.

And union members generally are much better off, when it comes to pensions. According to the Bureau of Labor Statistics, 72 percent of union workers have guaranteed pensions with defined benefits while only 15 percent of non-union workers enjoy such retirement security.

WAL-MART TODAY

Poor pay, lousy if any health care coverage, terrible working con-
—continued next page



By ED FINKELSTEIN
Labor Tribune Publisher
THIRTEENTH IN A SERIES



World's wealthiest firm

ditions, abuse of workers' rights at every turn, shipping American jobs by the millions overseas, and a blatant anti-union, anti-worker attitude that will allow this company to close an entire store and put hundreds out of work before they will recognize a union: this

is Wal-Mart today.

Is this the kind of company you want to spend your paycheck with?

Every dollar a union member spends at Wal-Mart is a blow to your own job, eventually. Low prices? At what cost?

Wal-Mart's corporate logic

An article in the May 13 issue of the *Detroit Building Tradesman* demonstrates Wal-Mart's corporate logic:

According to Wal-Mart's procurement chief, Andrew Tsuei in an interview with the *Los Angeles Times*, Wal-Mart's increased Chinese imports of textiles and clothing is not the cause of U.S. textile workers losing more than 250,000 jobs since 2001. Why? Says Tsuei: because there almost aren't any U.S. textile jobs!

"The only apparel that's left in the United States is sweatshops in Chinatown," said Tsuei.

Let's see, Wal-Mart:

- Has forced American companies to manufacture overseas in order to meet their cost demands, causing hundreds of thousands of American garment workers, and millions of others as well, to lose their jobs.

- Wal-Mart is considered to be the largest importer of goods from China. In 2002, according to the *Los Angeles Times*, they shipped \$12 billion in products out of China, 20 percent more than in 2001.

- In 1995, Wal-Mart said its imports accounted for no more than 6 percent of its products. Today, consulting firm Retail Forward estimates that 50 to 60 percent of the merchandise in the company's U.S. stores is imported.

According to the Labor Department's Bureau of Labor Statistics, the number of garment and textile jobs in the U.S. dropped from about 850,000 in 2000 to 593,000 last year.

So, Wal-Mart's Chinese imports are not causing the loss of American jobs because there are no American jobs to be lost (since Wal-Mart's efforts have already killed those jobs in the first place). Now there's sound logic if we ever heard it!

Join new Wal-Mart activist group

Interested in joining a new national activist program to bring American standards of social and economic responsibility to Wal-Mart? Become a Wal-Mart Activist to help bring justice to workers everywhere who are being abused by this "Godzilla of retailers."

NAME (please print) _____

Address _____

State & ZIP _____

Phone: (____) _____ Cell: (____) _____

E-mail: _____

Best time to reach you? _____ a.m. _____ p.m.

Mail to Cynthia Blackmon, UFCW 655, 300 Weidman Rd., Ballwin, MO 63011 or fax to (636) 394-5006.

Published on May 26, 2005



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Wal-Mart: A danger to America's economy

Wal-Mart destroys competition, communities, and jobs

The world's largest and wealthiest corporation has created 1.6 million jobs worldwide. While that normally would be cause for pride, with Wal-Mart, it's a dire warning that the American economy, in fact the American way of life, is in danger from this company's cannibalistic practices.

Wal-Mart's business model impacts America in three major ways:

First, by destroying competition and with it, the loss of millions of American jobs;

Second, by destroying local communities as it puts local businesses out of business and eliminates local jobs and competition;

Third, by destroying the good wages and working conditions of millions of American workers whose buying power once created a middle class standard of living unprecedented anywhere in the world.

A look at each area, something that is seldom done as a unit, begins to give you a sense of just how dangerous Wal-Mart is to America's economy.

WAL-MART DESTROYS COMPETITION

A Congressional Research Service report explained that Wal-Mart uses a saturation strategy with store development. In other words, it builds stores in nearby connected markets in order to stifle any competition in the targeted area by the size of its presence.

In previous *Labor Tribune* articles, we've outlined how Wal-Mart has put many well-known American companies out of business by first demanding they move their production plants overseas to cut labor costs, and then going to suppliers in other foreign countries who duplicate the product and whose workforces earn even less money.

What's not so evident to American's is Wal-Mart growing monopoly over hundreds of product lines in American manufacturing plants. Based on numerous articles that have been published, it appears that Wal-Mart has a calculated process:

Step 1: Begin buying a product from a company at a reasonable price.

Step 2: If the product sells, begin increasing the amount of that plant's production.

Step 3: When you become one of the company's biggest purchasers of their products, you put the squeeze on them to cut their wholesales prices. Several published articles note that Wal-Mart asks for a 10 percent reduction every year regardless of the fact that raw material costs and labor costs are continually rising.

Step 4: When the American company can no longer afford to cut its price to Wal-Mart, the suggestion is made to move their production overseas to lower their costs or Wal-Mart will find another supplier. At this point, the company is captive to Wal-Mart because they are buying most of their product, or at least such a huge share of the plant's output

that they simply cannot afford to lose Wal-Mart as a customer.

Step 5: Those companies that do move to countries that welcomed Wal-Mart because of their cheap labor are finding the same tactics being

forced on them again with Wal-Mart then moving to even lower wage countries desperately looking for any kind of jobs for their workforce.

And so the vicious cycle begins all over again.

The *L.A. Times* hit the nail on the head when it reported:

"Wal-Mart has established its own Global Procurement

Division abandoning the pretense to its traditional 'Buy American' campaign. This team searches the globe for the cheapest raw materials, manufacturers and shipping routes. They allow Wal-Mart to relocate factories from one country to the next in its endless quest to squeeze countries for lower wages and cheaper goods."

CRISIS STAGE?

And why can this happen? Because of Wal-Mart's buying power and the quantities they buy to fill their stores.

● According to "Chain Store Guide: 2003 Directory of Discount and General Merchandise Stores 2003," in 2002 Wal-Mart accounted for nearly 60 percent of all sales in the U. S. discount store industry (which includes membership warehouses).

● Wal-Mart's 3,500 stores represent more than 40 percent of all discount stores, according to the directory.

Look at what's already happening:

● *Fortune* magazine reported that Wal-Mart is America's top seller of dog food, disposable diapers, photographic film, toothpaste and pain remedies,

groceries, jewelry, toys, home furnishings, home accessories and housewares.

● Wal-Mart is the nation's third-largest pharmacy, closing in on Walgreens.

● Wal-Mart accounts for 15 to 20 percent of all sales of CDs, videos, and DVDs and 15 percent all single-copy magazine sales in the U.S.

● *Business Week*, in an article titled "Is Wal-Mart Too Powerful?" noted that Wal-Mart sells 30 percent of household staples bought in the U.S. and that its analysts predicted that its share of many such goods could hit 50 percent before decade's end.

And it's not just mom and pop production plants. It impacts some of America's name brands. Wal-Mart now buys:

● 28 percent of Dial's total sales.

● 24 percent of Del Monte Foods products.

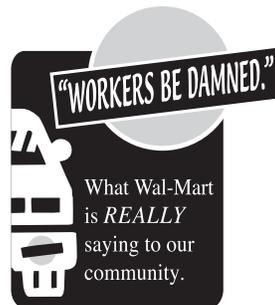
● 23 percent of Clorox's production.

● 23 percent of Revlon's production.

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"Just as Ford, GM and the UAW once drove up wages for workers who were nowhere near auto factories, so Wal-Mart drives down wages for workers who never set foot there . . . No other American company has done as much to destroy what's left of the U.S. clothing and textile industry or been so loyal a friend to the dankest sweatshops of the developing world."

— Harold Meyerson, editor-at-large,
The American Prospect,
Washington Post, August 27, 2003



By ED FINKELSTEIN
Labor Tribune Publisher
FOURTEENTH IN A SERIES



continued from front-

Danger to America's economy

Business Week noted that, "Wal-Mart controls a large and rapidly increasing share of the business done by most major U.S. consumer-products company." It added with candor: this consolidation can affect not only individual companies, but potentially the American economy.

The magnitude of the growing problem was highlighted by *Fast Company* magazine in an article in 2003 titled "The Wal-Mart You Don't Know" when it reported that in 2003, 7.5 cents of every dollar spent in any store in the United States (other than auto-parts stores) went to Wal-Mart.

Said the magazine: "But what almost no one outside the world of Wal-Mart and its 21,000 suppliers knows is that 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."

DESTROYING AMERICAN COMMUNITIES

One of the great American tragedies is that Wal-Mart not only kills companies; it also destroys whole communities, especially in rural America. Here in the urban St. Louis metro region, we don't see what Wal-Mart does to the "little guy" and his workforces because there's so much going on. But in rural America, and in those few states that have had the courage to study Wal-Mart's economic impact on communities, it's an entirely different story.

● A case study by the Iowa State University on the impact of Wal-Mart on small towns in Iowa from 1984 to 1996 showed a 3 percent spike in total retail sales immediately after a Wal-Mart opened. But the longer-term effects of Wal-Mart were disastrous for nearby independent businesses. Over the course of the 13 years, sales of mens' and boys' apparel dropped 59 percent on average, hardware sales fell by 31 percent, lawn and garden sales fell by 26 percent, grocery sales fell 11 percent, drug store sales fell 32 percent. In the meantime, sales at Wal-Mart and other department stores rose by 42 percent.

Reported the Executive Intelligence Review in 2003 of the Iowa study:

"All told, a staggering 7,326 stores closed in Iowa communities of 5,000 or less people through 1993; were (research tables) to cover the longer period through 1996, the number of store closings would be even greater. The health and vitality of these communities, including employment at rising wages and benefits, the generation of taxes, etc., will not be restored.

● A study conducted by the San Diego Taxpayers Association (SDCTA), a nonprofit, nonpartisan organization, found that an influx of big-box stores into San Diego would result in an annual decline in wages and benefits between \$105 million and \$221 million, and an increase of \$9 million in public health costs.

SDCTA also estimated that the region would lose pensions and retirement benefits valued between \$89 million and \$170 million per year and that even increased sales and property tax revenues would not cover the extra costs of necessary public services.

● "...the entry of (Superstores) into the Southern California regional grocery business was expected to depress industry wages and benefits at an estimated range from a low of \$500 million to a high of almost \$1.4 billion annually, potentially affecting 250,000 grocery industry employees... [T]he full impact of lost wages and benefits throughout Southern California could approach \$2.8 billion per year."

Noted the *Seattle Times*: "All of these practices — alleged abuses

Is Wal-Mart growing TOO big?

Several years ago, the U.S. government sued Microsoft for its monopoly-like control over the software industry. Over the years, they have broken up industrial giants in oil, telephone communications and many others because they were growing so big, so strong, that they presented a threat to competition and were on the verge of being world monopolies.

Why then has not our government moved against Wal-Mart? Consider:

● If Wal-Mart's revenue were counted as the Gross Domestic Product (GDP) of a country, it would be the 18th largest economy in the world, just below Switzerland and Russia, according to the World Bank Development Indicator in July 2003.

● According to the CIA World Factbook, if Wal-Mart were a country, its 2002 sales of \$245 billion would make it No. 31 on the list of the world's largest economies and richest nations, ahead of Saudi Arabia, Switzerland and Austria. Last year its sales were \$285 Billion.

● Is the world's biggest company, larger than General Motors, ExxonMobil and General Electric with 3,600 facilities in the U.S. in all 50 states; another 1,570 units in Mexico, Puerto Rico, Canada, Argentina, Brazil, China, Korea, Germany and the United Kingdom.

● Wal-Mart is the No. 1 retailer in the U.S., Canada, and Mexico.

"Wal-Mart is more powerful than any retailer has ever been," says Edward Fox, head of Southern Methodist University's J.C. Penney Center for Retailing Excellence in an article "The Wal-Mart You Don't Know" published in *Fast Company* magazine in December 2003. "It is, in fact, so big and so furtively powerful as to have become an entirely different order of corporate being."

Where is our government when we REALLY need it?

of labor laws, hiring illegals, and the low rate of pay and benefits at Wal-Mart — serve to depress the labor market in communities in which the giant is located. That is a major factor in Los Angeles' opposition to the supercenter."

And the stories of community horrors never end: According to a report in Executive Intelligence Review published in 2003:

● **Toledo, Ohio** — Author Al Norman describes the effect of Wal-Mart and Home Depot (another outsourcing chain) on Toledo: "When I went for a walk in downtown Toledo, I passed the old Lamson dry goods store: 9 stories of empty retail space. Each floor is the size of a football field. The building served as the home of a Macy's Department store from 1924 to 1984. For the past 14 years, the store has been empty. The City now owns it, which means the taxpayers of Toledo are paying the freight for its upkeep."

● **Nowata, Oklahoma** — In 1982, Wal-Mart opened a store on the outskirts of Nowata, a town of 4,000 people. Half of the small businesses in downtown Nowata shut down. Then in 1994, Wal-Mart abruptly closed this store, as well as another in a nearby town, and opened up a supercenter in Bartlesville, which is 30 miles away, leaving Nowata prostrate.

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continued from front-

Danger to America's economy

● **Mississippi**—A study found that in small towns in the state, five years after the opening of a Wal-Mart, the dollar volume of grocery store trade had collapsed 17 percent.

● **Vermont**—In an attempt to stop Wal-Mart from becoming large in the state, various towns passed restrictions that would halt Wal-Mart construction. Wal-Mart built stores in the neighboring New Hampshire and New York, which sucked business out of Vermont.

DESTROYS GOOD-PAYING AMERICAN JOBS

Remember Wal-Mart's "Bringing it Home to the USA" television advertising campaign in which they touted how they were keeping American working by buying American-made products?

An extensive *L.A. Times* series on Wal-Mart quoted consulting firm Retail Forward estimates that 50 to 60 percent of all the merchandise in Wal-Mart's U.S. stores is imported. In 1995, imports in Wal-Mart stores accounted for only 6 percent of its goods. Do you see a disastrous direction here for American workers?

Said the newspaper:

"Many Americans believe the clothing purchased in U.S. Wal-Mart stores is manufactured in America. In fact, the majority of its private label clothing is manufactured in at least 48 countries around the world, but not in the U.S."

Wal-Mart is today the largest importer of goods from China. According to the *L.A. Times*, Wal-Mart uses more than 3,000 Chinese factories to import \$12 billion in goods last year alone. This represented 10 percent of ALL U.S. imports from China.

The *Labor Tribune's* series has already documented how badly workers in factories overseas making Wal-Mart products are treated, and poorly paid.

According to a 2004 study by the Committee on Education and the Workforce, U.S. House of Representatives on the impacts a Wal-Mart Supercenter has on low-income communities:

● Conversion of higher paying retail jobs to a fewer number of lower paying retail jobs. The difference in overall compensation (wages and benefits) may be as much as \$8.00 an hour.

● Lack of health care benefits of many big box and superstore employees can result in a greater public financial burden as workers utilize emergency rooms as a major component of their health care.

"There is no question that Wal-Mart imposes a huge, often hidden, cost on its workers, our communities and U.S. taxpayers. And Wal-Mart is in the driver's seat in the global race to the bottom, suppressing wages levels, workplace protections and labor laws," said Representative George Miller (D-Calif) who has studied Wal-Mart extensively.

Join new Wal-Mart activist group

Interested in joining a new national activist program to bring American standards of social and economic responsibility to Wal-Mart? Become a Wal-Mart Activist to help bring justice to workers everywhere who are being abused by this "Godzilla of retailers."

NAME (please print) _____

Address _____

State & ZIP _____

Phone: (____) _____ Cell: (____) _____

E-mail: _____

Best time to reach you? a.m. p.m.

Mail to Cynthia Blackmon, UFCW 655, 300 Weidman Rd., Ballwin, MO 63011 or fax to (636) 394-5006.

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10 reasons NOT to shop at Wal-Mart

*Readers: Let your conscience be your guide.
How low will you go for 'low prices?'*

For the past 14 weeks, the *Labor Tribune* has published a series of in-depth articles about Wal-Mart.

Our goal: To bring an understanding among union members and families why the public in general — and union families in particular — should NOT shop at Wal-Mart.

But go to any Wal-Mart store, especially outstate or on the fringes of our metropolitan areas, and you'll see lots of union bumper stickers on parked cars.

In some communities, Wal-Mart has successfully destroyed the competition, so there are no other stores. Perhaps that's a reasonable excuse. But in the metro areas, where there are plenty of options, there is absolutely NO excuse for a union family — or anyone else for that matter — to be in a Wal-Mart store.

To make our point, here are 10 top reasons why you should not be spending your hard-earned paychecks at Wal-Mart. This is a summary of our 14 weeks of articles and thousands of words boiled into 10 simple reasons.

Reason 1: Wal-Mart is putting fellow union members, fellow Americans, out of work!

In the St. Louis area, more than 5,800 union jobs in our local supermarkets have vanished.

Added to that are the hundreds of thousands — if not millions — of other industrial, commercial and retail jobs that have been lost because Wal-Mart is exporting American jobs and importing 60 percent or more of its products from non-union plants overseas.

And Wal-Mart not only imports its products; it has forced American plants to close and relocate overseas in an attempt to cut costs. That means good American jobs are lost and real people and their families are affected. Will YOUR job be next?

Reason 2: Wal-Mart pays its employees below poverty wages.

"A Statistical Analysis of Wal-Mart Gender Patterns," a 2003 study, said that a Wal-Mart sales associate earns an average of \$8.23 an hour working a 32-hour week. A cashier earns less, approximately \$7.92 an hour working a 29-hour week.

Based on those numbers, a Wal-Mart sales associate earns only \$13,861 annually. Cashiers earn \$11,948 annually — and that's GROSS before any taxes or Social Security deductions taken out.

According to figures from the U.S. Department of Health and Human Services, the federal poverty line for a family of three is \$15,020, but the basic family budget to live on is \$23,705.

In areas where Wal-Mart increased its share of the retail food market by 20 percent or more between 1998-2002, cashiers' wages in other stores fell 40 percent — about 31 percent below the national average increase.

Thus, Wal-Mart's wages depress other wages throughout a community.

Reason 3: Wal-Mart scams its own employees.

Not only is the giant corporation paying low wages, but Wal-Mart forces employees to work overtime without pay, locks them in the stores overnight, violates child-labor laws and restricts employees' hours of work so most of them are classified as "part-timers" and thus ineligible for the same healthcare and other benefits enjoyed

by "full-time" employees.

And for those hurt on the job, the company fights their claims to the bitter end, often depriving workers of any income for long periods of time. Many, many lawsuits are pending over these actions.

Reason 4: Wal-Mart discriminates against women and the disabled.

Wal-Mart refuses to pay women employees the same salaries they pay men for the same work. As a result, there is a class-action lawsuit against Wal-Mart in behalf of 1.6 million women workers who allege that Wal-Mart discriminates against women in promotions, compensation and job assignments.

The suit also claims many women are relegated to lower-paying jobs and systematically denied advancement opportunities.

The lawsuit is supported by 110 sworn, detailed statements from women who worked in 184 different Wal-Mart stores in 30 states and includes testimony and exhibits gleaned from more than 100 Wal-Mart managers and executives.

A number of cases have been fought over the issue of the disabled as well. In 14 cases of discrimination against the disabled, Wal-Mart paid more than \$13.5 million in fines and settlements.

Reason 5: Wal-Mart workers have little or no healthcare insurance.

Wal-Mart's plans are so expensive that only about one third of its employees buy the company's plan. The average Wal-Mart employee would have to pay one-fifth to one-fourth of each paycheck for the company's healthcare coverage. And because of Wal-Mart's low wages, employees simply cannot afford their company's healthcare.

In comparison, when other companies across the nation offer healthcare plans, 84 percent of employees elect to take it. But Wal-Mart workers are forced to seek out free public facilities for their healthcare needs.

Reason 6: Wal-Mart forces you and I to subsidize its employees' healthcare.

About two-thirds of Wal-Mart workers rely on public health facilities for their health needs — care that you and I support through taxes and higher insurance premiums.

In fact, public testimony by Wal-Mart management shows the company in fact trains its managers how to encourage their employees to go on the public dole for their healthcare. Cities and states pay millions of dollars for Wal-Mart workers' healthcare through public facilities.

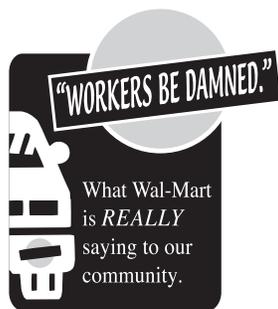
Reason 7: Wal-Mart — which is blatantly anti-union — is among the nation's top lawbreakers.

Wal-Mart has compiled an unmatched public record of abuse and illegal and irresponsible conduct involving women, children and taxpayers.

Wal-Mart has hundreds of lawsuits and unfair-labor practice charges filed against it for routinely breaking federal laws as it tries to prevent union organizing.

Numerous lawsuits have been filed against the corporation over wage violations. Wal-Mart currently is the defendant in the nation's

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By ED FINKELSTEIN
Labor Tribune Publisher
FIFTEENTH & LAST
OF A SERIES



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10 reasons not to shop at Wal-Mart

largest discrimination lawsuit over gender bias in jobs and wages, and it has paid millions of dollars to settle a lawsuit over the use of undocumented illegal-immigrant workers to clean its stores.

There has probably been no other company in America's history that has had more lawsuits, violations and charges brought against it.

Reason 8: Wal-Mart plays a major role in outsourcing American jobs overseas.

In the past four years, the U.S. has lost almost one in nine manufacturing jobs, including 20 percent in durable-goods industries such as automobiles, which are generally good-paying union jobs with healthcare and retirement benefits.

In large measure, Wal-Mart is responsible for pushing that overseas exodus.

Wal-Mart has forced its suppliers and manufacturers to go overseas to find cheap labor in order to stay in business. In many cases, companies reported Wal-Mart "suggested" they close their American plants and move overseas if they expected to retain Wal-Mart's business.

As a result, many respected, old-line companies such as Huffy Bicycle, Master Lock, Rubbermaid, Vlasic Pickles and Levi Strauss have been forced to close their American production facilities. Some are now out of business.

Reason 9: Wal-Mart forces you and I to subsidize its expansion.

Would you vote for a property-tax increase to give millions in subsidies to Wal-Mart, the world's wealthiest and largest corporation? Of course not. But you subsidize Wal-Mart, anyway.

Local governments — in order to entice Wal-Mart to build in their communities — offer the greedy corporation billions of dollars worth of public subsidies through a number of tax-saving devices. Cities build roads to its stores, install sewer and flood-control systems and other items that other retailers normally must pay themselves if they want to do business in a community. Not Wal-Mart.

And as a result of huge give-aways, communities have become strapped for money and eventually come back to the taxpayers for more property and sales taxes.

Reason 10: Wal-Mart exploits workers overseas.

As if it is not bad enough that Wal-Mart destroys American lives by shifting our jobs overseas, the giant corporation also destroys the lives of workers in foreign countries who are manufacturing its products.

The companies Wal-Mart hires for its goods are so pressured on costs that they pay pennies an hour for work, force long hours without breaks, pay no overtime and fire workers at will who can't keep up.

The sweatshop conditions Americans fought to eliminate at the turn of the 19th Century exist overseas in companies that are manufacturing Wal-Mart's products.

Wal-Mart imports more than 60 percent of all the products in its stores — more than \$12 billion three years ago were from China alone.

When the *Labor Tribune* launched this series, we asked: What price are we willing to pay for Wal-Mart's 'low prices?'

It should be clear now that we all pay a hefty price for Wal-Mart's "low prices."

Americans pay in terms of lost jobs; breadwinners in terms of lost income; union families in terms of rapidly-vanishing union jobs — both in the retail and industrial sectors — and with them, the loss of health care and other benefits; Wal-Mart workers in terms of decent pay and affordable health insurance and safe working conditions.

Foreign nations and workers pay a price in terms of the literal slavery their workers must endure in sweatshop plants producing Wal-Mart products and in terms of a continuing downward pressure on their own work forces as Wal-Mart scours the world for cheaper and cheaper labor.

We all pay a price in terms of the incredible downward pressure on our own wages and benefits as other companies see how profitable the Wal-Mart model is for that company. Why wouldn't they do the same?

Reminds me of a procedure repeated many times during the Great Depression. A factory foreman comes out to see hundreds milling around, hoping for work.

"Who will work for a dollar an hour?" he asks, and every hand goes up.

"Who will work for 50 cents an hour?" Fewer hands go up.

"Who will work for two bits an hour?" Even fewer.

"Okay, you guys willing to work for a quarter, come on in."

We again ask you, our readers: What price are you willing to pay for Wal-Mart's "low prices?'

For the past 14 weeks, we've given you the facts. The decision is now up to you... and your conscience.

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10 reasons not to shop at Wal-Mart

Union grocers ready for Wal-Mart challenge; need our help

As part of our ongoing series on Wal-Mart's devastating impact on America, the Labor Tribune two weeks ago focused on Wal-Mart's impact on the local and national grocery industry. For every supercenter that opens, some 200 union grocery jobs are lost. And for every one Wal-Mart job created, one and a half other jobs in the community are lost.

In St. Louis, we are blessed to have three major supermarket groups, two locally owned. They are 100 percent union and despite having their first and only industry-wide strike two years ago, have maintained a positive, productive relationship with their unions. The *Labor Tribune* asked the principals of the three chains to discuss their abilities to compete with Wal-Mart.

ON COMPETITION

Craig Schnuck, chairman and CEO of Schnuck Markets, Inc.:

"We're not afraid of competition from Wal-Mart, but we need a level playing field. We certainly don't want to have to reduce our wages and benefits to a Wal-Mart level, that's not good for our employees or the economic health of the community. Wal-Mart is pushing its healthcare burden off onto taxpayers and that's just not fair to any of us.

"We can't change Wal-Mart. All we can do is work on changing how we compete with Wal-Mart. It's important that we, grocers and union associates, work closely together to craft agreements that we – and our customers — can all live with down the road. Wal-Mart is here and it's here to stay. If we plan to do the same, we must give our customers more reasons to shop our stores.

"We compete with approximately 36 Wal-Mart Supercenters right now in various parts of the mid-west including some in the St. Louis area. For every job Wal-Mart creates, you basically eliminate one and a half jobs in other retail establishments; this is something that has proven true in most markets. Not just food store retailers, but toy store retailers, variety retailers, jewelry retailers, all kinds of retailers are impacted by Wal-Mart."

Marlene Gebhard, president of Shop 'n Save:

"The key here is fair competition. Wal-Mart pays substantially less than we (employers) do for wages and benefits and they can then pass those savings along to customers.

In a recent *St. Louis Post-Dispatch* article, a Wal-Mart spokesperson said that 86 percent of the company's employees nationwide have health insurance. Fifty-six percent through the company and the rest (30 percent) through another source such as another employer, a family member, the military or Medicare. In other words, we the taxpayer, we the employers — are that 'other source.'

"Most people don't realize convenience stores are competitors (also). They don't realize that every time they pick up an item, it's business we no longer have. From our perspective, when that consumer picks up that gallon of milk, box of Twinkies and loaf of bread, those sales and business we have no opportunity to gain. Fringe sales are important and we're (union grocers) losing them."

Bob Dierberg, president and chairman of Dierbergs Markets:

"When signs first went up in Lake Saint Louis, community members were expecting a Wal-Mart but, it's actually going to be a supercenter and it will impact neighboring businesses. If your community is planning on opening its arms to Wal-Mart or any other big box operation, I urge you to ask your local officials to study the affects these stores will have on traffic patterns and on other businesses. Ask them to weigh the benefits of such operations against subsidies that may be under consideration."

THE UNION SHOPPING DIFFERENCE

Marlene Gebhard:

"Shop 'n Save takes pride in the wide product variety we offer because we believe that also speaks to value. We have different varieties that appeal to different tastes and household budgets. Shop 'n Save private label items, for instance, are very highly regarded by our customers for their quality and taste and they are priced to appeal to everyone.

"In addition to offering service and quality we offer the value that our customers want and need. Once you factor out the bulk packaged products, many of our prices come close to Wal-Mart's."

Craig Schnuck:

"St. Louis' union retail clerks are among the best paid in our region. We are proud to pay our associates well and to put them at a high priority, second only to our customers. However, we are no longer living in the "good old days" of the grocery business. We have reached a point where we must work harder to keep our costs in line if we are to be able to compete in the future.

"Delivering high levels of customer service is a top priority at Schnucks."

Bob Dierberg:

"Our customers have responded well to recent in-store changes including the expansion of our specialty food sections. But, we just don't have the space to offer large amounts of bulk items."

A PART OF ST. LOUIS

Craig Schnuck:

"Area union grocers have extended customer service into the community. We are the retailers who sponsor local charity events and community activities. Our willingness to partner with civic and charitable organizations and our associates' tradition of rolling up their sleeves as volunteers helps to make each one of our stores the heart of the community it serves. We should all be proud of that."

Marlene Gebhard:

"We (union grocers) have a stake here in St. Louis and take pride in what we do. We have been here for years and we know and understand our customers better than any of our newer competitors.

"All of St. Louis' traditional grocers are involved in the community in many ways that our customers may not realize. For instance, we are all personally involved in civic and charitable organizations and take part in events designed to provide support and improve the quality of life for all in our community. Whenever food banks

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10 reasons not to shop at Wal-Mart

Union grocers ready for Wal-Mart challenge; need our help - cont.

and churches need anything, we are there for them. Whether it is in support of our troops in Iraq or support for causes here at home we are there. These are contributions that are hard to measure, yet they put us miles ahead of most of our competitors.”

THE CHALLENGE

Bob Dierberg:

“The grocery industry - all industries living in Wal-Mart’s shadow - are in a transitional phase. Traditional union grocers and other retailers across the nation are facing many challenges, including what we know as “The Big Three” -- a fluctuating economy which has led to slow sales, healthcare costs that are continuously on the rise and competition from non-traditional, non-union grocers who are becoming worthy grocers in our customers’ eyes.

“Today, union members and union employers must acknowledge the seriousness of the situation and start working together. That is our best - our only strategy. Remember the old saying, ‘a good offense is the best defense?’ Retailers know how to play the game - but they need the help of their unions in order to win.”

Craig Schnuck:

“The bottom line is, St. Louis’ union grocers have earned the right to do business in St. Louis. We know the grocery industry and nobody does it better when it comes to service and quality. Our customers deserve choice in where they shop for groceries. They deserve the kind of quality service and products and food experience that traditional grocers can bring. It’s up to us to see that they get all those things and more.”

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Resources for more information about Wal-Mart

<http://www.wakeupwalmart.com>

<http://walmartwatch.com>

<http://www.ufcw.org>

<http://www.purpleocean.org>

<http://reclaimdemocracy.org>

[/walmart/index](#)

<http://www.aflcio.org/corporateamerica/>

[walmart/walmart_8.cfm](#)

<http://www.sprawl-busters.com>

<http://www.againstthewal.com>

<http://www.walmartsucks.org>

<http://www.wallmartclass.org>

<http://www.walmartversuswomen.com>

<http://members.aol.com/walmopboy/abuse/strl.htm>

<http://www.1worldcommunication.org/Walmart.htm>

<http://www.walmartworkerslv.com>

<http://www.youareworthmore.org>

<http://walmart-foundation.org>

<http://www.walmartworkersneo.com>

<http://unionizewalmart.ws>

<http://www.retailworker.com>

<http://www.nevadalabor.com/unews/walmart.html>

<http://www.walmartmovie.com>

<http://www.dsausa.org/lowwage/walmart/walmart.html>

<http://www.hel-mart.com/products.php>

<http://www.walmart-blows.com>