

FEBRUARY 13, 2006

BOOK EXCERPT

By Anthony Bianco

No Union Please, We're Wal-Mart

How the retail giant fought back when labor got a toehold in a Quebec store

If Wal-Mart ([WMT](#)) founder Sam Walton had been prone to nightmares, they probably would have looked a lot like the big-box store in Jonquière, Que., on this Friday evening in April, 2005. Empty shelves outnumber full ones by about 5 to 1.

Whole sections are closed, and the remaining merchandise consolidated in the center of the store. The entire contents of the baby department now fits into a single shopping cart left in the middle of an aisle. Some 20 workers shuffle about forlornly in their blue smocks, tending to a dozen customers searching for a final bargain among the dregs of what had been great abundance just a few weeks ago.

Here in Jonquière, the ubiquitous Mr. Smiley Face, mascot of Wal-Mart Stores Inc., seems downright deranged. "This is not what a Wal-Mart is supposed to look like," admits Marc St. Pierre, the store manager.

St. Pierre sent the store's greeters home long ago. In their place are two uniformed security guards who ignore the departing customers (Wal-Mart might welcome shoplifting as a form of accelerated retail euthanasia) to focus their attention on new arrivals. No doubt they would confiscate a gun if they saw one, but what they are really looking for is cameras. A skeleton crew of downcast employees wandering around a shambles of a store is not an image that top management in Bentonville, Ark., wants to see splashed across newspapers or magazines. A third security guard patrols the parking lot in a silver SUV, keeping an eye out for shutterbugs. Photographing the outside of the store is allowed, but try to bring a camera inside and a longhaired young man will politely but firmly bar your way.

I didn't come here to take pictures or to shop, but the hockey fan in me cannot resist a set of Montreal Canadiens salt and pepper shakers for \$1.89. As I'm checking out, the elderly man in front of me says to the young woman running the register: "It's so sad to see your favorite store like this." She just shrugs.

On the way to my car, I encounter a man who appears to be in his 60s ambling toward the store's entrance. Is he here to buy something? "No," he replies, with a derisive snort. "I'm just here to look at the corpse."

"Remote" is an adjective that does not begin to do Jonquière justice. This rough-hewn, clapboard city of 60,000 sits at the edge of inhabited Quebec. To the north is nothing but forest, mountain, and bay all the way to the Arctic Circle. Quebec City is a three-hour drive due south, through a wilderness preserve where moose easily outnumber men and make highway driving an adventure.

A media capital Jonquière is not. And yet Wal-Mart's abandonment of this north Quebec outpost in the spring of 2005 made news from Tokyo to São Paulo as an object lesson in the lengths to which America's largest company will go to throttle the threat of unionization. Wal-Mart closed its store here a few months after it was certified by the Quebec government as the only unionized Wal-Mart in North America.

Canada is important to Wal-Mart, which, with 260 stores here, is the country's second-largest retail chain. Although the allure of "Every Day Low Prices" is as strong above the 38th parallel as below it, the Canadian shopper is far more likely than her U.S. counterpart to belong to a union. Nearly 29% of

Canadian workers carry a union card, compared with 13% of American employees. Labor laws in Canada are more favorable to unionization and are more likely to be vigorously and expeditiously enforced -- especially in Quebec, where the unionization rate is a robust 40%.

Wal-Mart entered Canada by buying 122 discount department stores from the Canadian subsidiary of Woolco in 1994. (Wal-Mart passed on 22 other Woolco stores, including all 10 of its unionized outlets.) One was in Chicoutimi, which is a kind of white-collar cousin to the blue-collar mill town of Jonquière. In 2001 these two adjacent cities and four smaller towns merged to form Saguenay, which is the largest city in the Saguenay-Lac-St.-Jean region of Quebec. It was just about this time that Wal-Mart entered Jonquière, much to the delight of its residents. The opening of the Place du Royaume shopping mall in Chicoutimi a decade earlier had wiped out many stores in Jonquière, leaving a void that the new Wal-Mart went a long way toward filling. The 190 jobs that the store brought were equally welcome in an area chronically afflicted by high unemployment

Even so, a company as anti-union as Wal-Mart was pushing its luck entering Jonquière, the Quebec union town *par excellence*. The isolation of Saguenay-Lac-St.-Jean bred a defiant independence of spirit into what is still a remarkably homogeneous population. Nowhere in the province is support for Quebec sovereignty -- separation from English-speaking Canada -- stronger than among the Saguenay's French Catholics, every fifth one of whom seems to be named Tremblay. The region is heavily industrialized; each of the aluminum smelters and pulp and paper factories that dot its ruggedly scenic landscape has been unionized for decades. The Quebec labor movement was more or less born in the Saguenay, and a tumultuous birth it was. In 1942 the army had to be called in when a strike at an Alcan Inc. ([AL](#)) plant spun out of control.

The sentiment that drove Wal-Mart's Jonquière workers into the arms of the United Food & Commercial Workers (UFCW) is best summed up by a bitter pun popular locally. Quebec's official motto is *Québec, je me souviens* ("Quebec, I remember"). The workers adapted this to Wal-Mart, *je me soumets* ("Wal-Mart, I submit"). Says Sylvie Lavoie, a 40-year-old single mother who led the worker rebellion in Jonquière: "Wal-Mart will only choose somebody for promotion who thinks Wal-Mart, sleeps Wal-Mart, and eats Wal-Mart, and who puts Wal-Mart before absolutely everything -- before their family even." Like many of her colleagues, Lavoie stood silently through the mandatory Wal-Mart cheer each morning. "It's not a song. It's a military chant," she says. "I found it to be degrading."

A FIESTY CASHIER

It is just after 8 o'clock, and Lavoie is sitting behind a desk in a union hall less than a mile from the dying store where she worked for four years. Today is the final day for the workers Wal-Mart fired to register for a financial-aid program set up by the UFCW. The union has offered to make up the difference between a worker's unemployment check and his or her lost Wal-Mart paycheck for a full year or until another job is found -- no small challenge in Jonquière. Lavoie, who is unemployed herself, is here bright and early to help with an expected last-minute rush and, in a sense, to finish what she started.

A pretty, vivacious woman with blond-streaked brown hair and a tiny diamond stud in her left nostril, Lavoie is dressed in blue jeans and a white cowl-neck sweater. Lavoie was tending bar in Jonquière when the Wal-Mart store opened. She started as a part-time clerk in the baby department and soon became a backup cashier in a store that bustled with activity right from the start. Although Lavoie liked Wal-Mart at first, she was never one to deny her supervisors the benefit of her point of view. "I am not a troublemaker," she insists. "But maybe I had a little more character than the others in saying: 'Look, perhaps there is a fault in the system.'"

As a part-timer, Lavoie did not qualify for health insurance and was almost always stuck working weekends while her parents took care of her little daughter, who was not happy about her mother's absences. She repeatedly applied for the full-time cashier jobs that regularly came open and grew increasingly disenchanting as they were filled by co-workers or by new hires. One day an assistant manager called Lavoie in and congratulated her on being selected for a full-time storeroom job for which she had not applied. She refused to take it. As the cashiers got to know and trust one another, they began comparing notes and discovered major pay inequities within their ranks. One day, Lavoie led a delegation of cashiers to the manager's office to complain. "We were a big bunch of girls, and we all went together," she recalls. "He laughed in our faces."

For Lavoie, the last straw came when she and her best friend, a part-time cashier supervisor named Johanne Desbiens, were both turned down for promotions on the same autumn day in 2003. "Johanne came over to my place, and she was really crying," Lavoie recalls. "I was a little harder than her; I didn't take it so badly. I just looked at her and said: 'Well, Johanne, I have nothing else to lose.'"

Andrew Pelletier, Wal-Mart Canada's chief spokesman, says that he has no information about Lavoie's complaints and cannot respond to them. However, he adds, "the scenario she describes does not sound at all like the way we operate."

The first approach to the UFCW had already been made in late 2002 by three of the store's minority of male workers. However, it wasn't until Lavoie and Desbiens signed on that the union campaign gained traction, says Herman Dallaire, an organizer for UFCW Local 503 in Quebec City. "The difference was that they were cashiers, which is a big department in the store, and much more popular with their co-workers," Dallaire says. "They also had very strong personalities and were not afraid of the store managers."

In Quebec, unlike the U.S., a store can be unionized without an employee election. If a majority of the hourly workers sign union cards and if those signatures then are certified by the provincial government, the law requires management to sit down with union representatives and negotiate a collective-bargaining agreement. If no agreement is reached, a government-appointed arbitrator can impose a contract. In Quebec, the process moves along with an alacrity that tends to blunt the sort of anti-union tactics Wal-Mart puts to such effective use in the U.S. In fact, if the necessary number of signatures can be collected covertly, a store can be unionized before management even knows a drive is under way.

Union officials kept their distance while Lavoie and a handful of helpers began meeting outside of work with colleagues they knew to be dissatisfied with their pay and working conditions. Discretion was essential, for they knew that there were workers who either truly liked their jobs without benefit of a union or were so fearful of losing them that they would oppose unionization. Of the store's 190 employees, 45 were salaried managers, leaving 145 workers in the prospective bargaining unit.

The store soon was riven into bitterly opposed camps. Management began holding mandatory anti-union meetings and issuing dire warnings about the future of the store. Complaints of intimidation and harassment cut both ways, as pro-company employees told of organizers pestering them at home at all hours. Some workers "signed the cards just to get some peace," says Noëlla Langlois, a clerk in apparel. "They thought they would vote against [unionizing] in a secret vote."

USED BY THE UNION?

The UFCW fell one signature short of the required number for automatic certification and decided to take its chances by petitioning for a secret vote in April, 2004. The move backfired, as the union was voted down 53% to 47%. A group of managers gathered just outside the front door to celebrate for the TV cameras and taunt union supporters as they left the store. Many workers who had voted against the union were so appalled by this spectacle that they switched sides.

After the required three-month cooling-off period expired, Lavoie and her allies started over and collected a surfeit of signatures so quickly that this second campaign succeeded before management even realized that it was afoot. The Jonquière store was automatically certified as a UFCW shop in August, 2004, giving a big boost to the union's organizing campaigns in two dozen other Wal-Mart stores across Canada.

Two months later, just as the UFCW and Wal-Mart representatives were preparing to begin mandatory contract negotiations, Wal-Mart Canada issued an ominous press release from its headquarters near Toronto. "The Jonquière store is not meeting its business plan," it declared, "and the company is concerned about the economic viability of the store." Nine days of negotiation between the UFCW and Wal-Mart produced nothing but acrimony. "When we got to working hours and schedule, it was never, never, and never," recalls André Dumas, now the acting president of UFCW Local 503 in Quebec City. Honoring union demands would have meant adding 30 workers to the payroll, counters Wal-Mart's Pelletier. "We felt the union wanted to fundamentally change the store's business model."

Lavoie and Desbiens were playing bingo on Feb. 9 when a TV reporter called seeking comment on Wal-Mart's announcement that it was closing in Jonquière. They were stunned. It had never occurred to them that Wal-Mart would go so far as to shut down a store that seemed to be busy all the time. Lavoie began frantically calling friends currently on duty but learned nothing useful. "They were all crying," she says.

Wal-Mart's draconian response to the Jonquière unionists scandalized Quebec. Three of the company's other 46 stores in the province were temporarily closed by bomb threats. A TV broadcaster likened Wal-Mart to Nazi Germany and then apologized. Jean Tremblay, the feisty, populist mayor of Saguenay, gave media interviews by the dozen denouncing the company as a freebooting scofflaw. "Because you are big and rich and strong, you can close a store to make your workers in other stores afraid? No!" Tremblay said. "If you want to do business in Quebec -- or in Russia or in China -- you have to follow the law. And you have to respect the culture."

From his office in Ontario, company spokesman Pelletier insisted that the reasons Wal-Mart gave up on Jonquière had nothing to do with stifling unionism. The store "has struggled from the beginning," he said. "The situation has continued to deteriorate since the union." In Bentonville, H. Lee Scott Jr., Wal-Mart's CEO, seconded Pelletier in a *Washington Post* interview. "You can't take a store that is struggling anyway and add a bunch of people and a bunch of work rules," Scott declared.

To which the people of Canada responded nearly as one: "Liars." A national survey by Pollara Inc., Canada's largest polling organization, found that only 9% of Canadians believed that Wal-Mart closed the store in Jonquière because it was struggling financially. In the opinion of 9 of 10 Canadians, it was all about the union. Some 31% of those queried said that they would either do less shopping at its stores or stop going to them altogether -- a figure that rose to 44% among Quebecers. In another survey taken six months after the Jonquière pullout, Quebecers ranked Wal-Mart 11th out of 12 retail chains when it comes to meeting their needs and expectations.

In Jonquière today, hatred of Wal-Mart coexists with resentment of the UFCW. Carol Néron, a local newspaper columnist, is convinced that the union leaders in Washington knew that Wal-Mart wouldn't tolerate a unionized store in Jonquière and provoked a fight there only to incite public opinion against the company. "Many people, myself included, think that our people have been used as cannon fodder," Néron says.

Under Quebec law, a company is legally entitled to shut down a store or a factory for any reason -- even to thwart unionization -- as long as the closure is permanent. Wal-Mart recently has cancelled its long-term lease of the building it occupied in Jonquière, eliminating any possibility that the store will reopen. The fired workers' best hope for monetary compensation from Wal-Mart is a pending class action suit alleging violations of the Canadian Charter of Rights and Freedoms. The Quebec Court of Appeals will hear the case in March. "Anybody connected to Jonquière knows how hard we tried to save the store," Pelletier says.

In the meantime, finger-pointing and second-guessing no doubt will persist within the ranks of Jonquière's former Wal-Mart employees. Not long ago, Lavoie's 10-year-old daughter came home crying from school after she had been harangued by the child of a former Wal-Mart manager. A hero to some and a villain to others, Lavoie insists that she had no choice but to fight. "*Je ne regrette rien*," she says. "I regret nothing."

Copyright 2006 by Anthony Bianco.

From the book *The Bully of Bentonville* by Anthony Bianco, published by Currency Books, a division of Random House Inc. Reprinted with permission.