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Editor: Todd Conger Asst. Editor: Mercedes Clarke

UFCW 324

A VOICE FOR WORKING CALIFORNIA

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For Drug Division negotiation updates the minute they happen

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N	ext General Membership Meeting is Wednesday, June 13 at 7 p.m. 8530 Stanton Ave. Buena Park	
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	Change of Address Form	

	Withdrawal	Card Re	quest	
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no telling what you might miss out on in the future.

U have to tell us!

President's Report

These Guys Never Looked Back-or Blinked

Just about the time I think that few feats can impress me, along comes something or someone to prove me wrong. The accomplishment that earned more than a double take this past month involves a common contract element—a wage reopener. What is that?

A "re-opener" can be seen as an attempt by two negotiating parties to salvage progress made in formal negotiations by postponing an item on which the parties simply can't agree.

In most cases, wage re-openers foresee either better overall performance by a company or better overall performance by the national economy. In some ways it's a vote of confidence. UFCW Local 324, for example, agrees to re-visit a contentious fight over wages when all indications are that the company is performing positively and its prospects look even better in the near future.

Common sense dictates that negotiating pay increases after 12 months of increasing profits would be somewhat easier than negotiating pay hikes only a month or two after a company emerges from a slump. Several consecutive months of actual losses, for example, may give a warped picture of the overall health of a company and allow management to shortchange employees by claiming poverty.

I can safely report no such occasions stand out as particularly memorable. The recent exception involves some of our Local's newest members—employees of Jatar in Long Beach.

The whole session began on a hostile note as Jatar owners refused to sit face-to-face with union negotiators. A federal mediator was called in to facilitate what should have been a simple issue.

The only question was whether this employer was in a financial position to afford pay raises for its 30+ employees. Keep in mind, of course, that the only across the board pay increase they ever issued came a year ago when they signed their first union contract. Some employees had gone a decade without a pay increase from the company.

As always, management claimed economic hardship. Employees had barely gotten wind of the offer before they were clamoring for a solid front against an employer they knew far too well.

Jatar employees rapidly voted to authorize a strike, unwilling to endure the predictable ritual of poverty pleas. The

employer's initial proposal demonstrated a level of derision not generally seen directed at a long term, loyal workforce of a successful company that had just survived the deep recession.

But Jatar employees knew the score. They

knew that the company had not lost any clients since before the onset of the recession. They also knew that the company was healthy enough to support comfortable living by its two co-owners. One after the other, management's proposals were rebuked by a bargaining unit that seemed as though it wanted to strike almost as much as it wanted a raise. In the end, management agreed to two significant wage increases over the next two years, exposing the power of solidarity and casting some doubt on their early claims. ...

I'm inclined to think that Jatar mangers will no longer see their employees as pushovers. Kicking and screaming perhaps, but Jatar's owners will start extending to their workforce the respect and dignity they would extend to a current or future client.

Management perhaps saw the writing on the wall—or at least had visions of their bank account balances after a potential work stoppage.

Once again, this small, privately owned firm has provided a textbook example of what the American Labor Movement seeks for millions from coast to coast. And to think that barely a year and a half ago, they were meeting in secret to discuss how to deal with the lack of responsiveness from management.

"Forming a union" was somewhere in the middle on their list of possible solutions.



Greg



Food bank checklist little less than two years ago Local 324 established the John R. Cortez Food Bank that would cater exclusively to local members in need.

"Ultimately, it came down to trusting our instincts and trusting the volunteers who would play a crucial role in its operation," said President Greg Conger.

Pasta

canned fruit tooth paste

canned beans

detergent D bar soap

peanut butter

deodorant

Food bank operators recently reported on the numbers of members who have received help from the food bank. Those stats appear to validate the union's faith in local volunteers.

Collectively, they studied how similar food banks successfully got up off the ground and went on to serve members or the public.

One by one the most daunting challenges to getting up and running worked themselves out or became smaller over time.

The other primary challenge centered around identifying members in need and verifying eligibility for those seeking assistance.

Local 324 made a pivotal decision to involve Union Representatives in the process at the early stages.

"Union reps get to know members on a personal level. Sometimes it's because they have been involved in other efforts to help a member get through a rough patch in their life," said Field Director Chuck Adinolfi. "Other times it is because a Rep is in a position to

know a member's circle of workplace friends and they may hear about a problem a member is facing even when the member himself isn't the one to come forward and volunteer the information."

The streamlined procedure comes from the elimination of red tape and allows volunteers to concentrate on stocking the food bank and extending its reach.

Shelly Paquette volunteers for the food bank outside of routine office hours doing everything from grocery shopping to filling orders for needy members.

"When you see a new member leave with a bag of groceries and other items you really can see gratitude in their expressions. For a lot of them who have had no experience good or bad with a union, you get to see the transformation from a stranger to a friend. That is what being in a union is about."

How can I help, you ask?

Interested donors have many opportunities to help keep the John R. Cortez Food Bank on solid financial ground. According to one of the bank's founders, Dana Palmer, donations are always welcomed. Palmer said that direct donations of food and hygiene products are a great way to help. If common sense fails to steer food donors in the right direction, Palmer has an official list of items they maintain on a regular basis.

Routine grocery shopping or tracking down obscure specialty items are standard operating procedures that have been assigned to volunteers, expanding even further the availability of hours. "Volunteers have been the backbone of the Labor Movement and are likely to be the backbone of our food bank too," Palmer said.

Secretary-Treasurer's Report

Individual mandate is essential ingredient in any national health care plan

In the past few months, health care has been front and center of national news. The debate over the legality of the individual mandate will be determined shortly, but either way, organized labor will continue to fight for comprehensive health care, as we always have.

The issues that have arisen as a result of the pending Supreme Court decision are the same issues Local 324 has always wrestled with throughout my career here. Simply put, how do we ensure that everyone has a right to comprehensive and affordable health care or that working women and men who suffer unanticipated illnesses or injuries are not vulnerable to personal bankruptcy.

Union members understand the value of participating

in large health care pools, pools that include both the healthy and the infirmed. In all of our health plans, employers must pay the same amount for all employees' health benefits regardless of age, gender, preexisting conditions, or health risks. Our members experience the value of this sys-

tem and have agreed contract after contract to forego partial wage increases in order to enjoy health care security.

The individual mandate, the heart of the 2010 Affordable Care Act, would function the same as our benefit funds. With everyone in the country participating, the risk of any individual's extraordinary and unanticipated health costs would be offset by the lesser medical needs of the healthy. Of course, if everyone in our plans stays relatively healthy, the cost increases employers must pay in the future are contained, and more money can be dedicated to wages in future contracts. This is the reason that UFCW plans are now emphasizing healthy living and preventive care.

I have mixed feelings about the individual mandate. On the one hand, I strongly believe that a single payer plan would better provide health care for everyone and be much

easier to manage. On the other hand, with the fierce debates that have occurred around the issue of health care in our country, I believe that some system for insuring everyone is better than no system.

Recent changes in both our Retail Food and Secretary-Treasurer Retail Drug Benefit Plans demonstrate the

difficulty of maintaining health care costs while still provid-

ing the best coverage within the retail sector of our economy. At the UFCW, we are committed to continuing to fight at contract time and through the legislative process for the best medical benefits for all of our members. We have also been a voice for unorganized workers who,

Andrea Zinder

prior to the passage of the Affordable Care Act, have had limited opportunity to obtain adequate health care.

Anyone who has been hospitalized, has had a child hospitalized, or who has suffered a chronic illness knows that the wage increases we have diverted to health care are well worth it. For those of us fortunate enough to have enjoyed relatively good health, we know that no one is without risk and that we have quality health benefits should we ever need them.

However the Supreme Court decides upon the legality of the individual mandate this June, all UFCW members can rest assured that their access to affordable medical benefits will not be eliminated as long as we remain united and strong.





Yesterday's News



EXTRA! EXTRA! Read All About the Real Newsies

-By Matthew Hart

In 1992, the Disney Company produced the musical drama Newsies. This movie tells the tale of several thousand homeless and orphaned children selling newspapers on the streets of New York City in the 1900's. Led by 17-year-old Jack "Cowboy" Kelly, the children go on strike after the newspaper companies hike up their purchase price. Some may be surprised that the movie's singing and dancing is loosely based upon actual events. In 1899, thousands of 'Newsboys' went on strike against two of the most powerful newspaper owners in U.S. history. The strike spread from NYC through much of New England, causing thousands to boycott the newspapers and the companies' owners' eventual capitulation.

During the mid-19th to the early 20th century, the main distributors of newspapers to the public were young boys, called 'Newsboys' or 'Newsies.' An estimated 10,000 Newsboys worked the streets of New York City. They were seen and heard on every corner, yelling, "Extra! Extra!" along with the news of the day.

Newsboys tended to come from the poorest classes of society, often living on the streets. It was not uncommon for these children to be dressed in rags, without coats, and shoeless. Loud and aggressive in hopes of selling all their papers, the Newsboys were treated with contempt and considered an annoyance by many.

The Newsboys were not direct employees of the newspapers, but rather purchased the papers from the publishers directly and sold them as independent agents, earning around 30¢ a day. Unable to recoup the cost of their unsold papers from the publishers, the Newsboys typically worked from early morning to late at night or until all their papers had been sold.

During the Spanish-American War, several publishers raised the cost of a Newsboy's bundle of 100 newspapers from 50ϕ to 60ϕ , which was offset by the increased newspaper sales from the war. After the war, most publishers returned the cost of these bundles to their previous price. Joseph Pulitzer's New York World and William Randolph Hearst's New York Morning Journal, however, did not reduce their costs.

On July 18th, 1899, in response to Pulitzer and Hearst's decision to maintain their bundles' increased costs, a large num-

ber of New York City Newsboys refused to distribute either paper. The strike was led by an eye-patch wearing half-pint known as 'Kid Blink' and another teen nicknamed 'Boots.' They rounded up their fellow Newsboys, some with equally fantastic names: such as Barney Peanuts, Race Track Higgins, and Crutch Morris, and marched 5,000 strong onto the Brooklyn Bridge, holding rallies that shut down traffic on both sides of the bridge.

Kid Blink was known for his rousing speeches, which were often quoted phonetically in some of the other papers to keep his accent intact. The Newsboys viewed this portrayal of Kid

Blink as disrespectful and asked for it to stop, but their requests fell upon deaf ears.

The World and Morning Journal hoped to stand their ground long enough, that the children would run out of food. But the strike continued and rumors began to circulate that Hearst and Pulitzer had hired thugs to bully the children into submission. However, despite bribes, threats, and violence, the Newsboys were determined

to push back. One newspaper article reported that delivery wagons were having a difficult time delivering their papers because they were followed by "howling mobs of half grown men and boys, who showered them with volleys of stones and brickbats." Other reports indicated that the Newsboys would travel in groups attacking anyone caught selling the boycotted newspapers.

The Newsboy's efforts were effective, and within a week, circulation for both papers had dropped from 360,000 to 125,000. On August 2nd, Hearst and Pulitzer offered to buy back all the Newsboys unsold papers in exchange for maintaining the higher costs per bundle. This compromise was accepted and the strike ended.

The Newsboys Strike of 1899 has been credited with inspiring further strikes throughout the country. Some decades after the strike, the introduction of urban child-welfare practices led to improvements in the Newsboys' quality of life. And while the movie, Newsies, may not have been a box office hit, it has just recently become a Broadway musical, returning to the streets where it all began nearly a century ago.



Pharmacists advise on ways to improve Professional Division

Members of the UFCW Professional Division added their voices to the mix by participating in a telephone brainstorming session in Buena Park March 6.

The exchange of ideas was part of a meeting of the advisory committees—the group of union executives and rank-and-file pharmacists.

Much of the discussion fo-

cussed on how the union could better communicate with division members on a wide array of issues related to the industry. The meeting concluded with an agreement to revamp the division's website with an eye toward attracting more interest and, by extension, more activists to the cause.

The meeting is just one of sev-

eral that will be held throughout the year as union officials seek to bolster participation from member pharmacists in the union.

Ultimately, according to Secretary-Treasurer Andrea Zinder, a more active membership strengthens the union. "And a stronger union leads to better contracts," Zinder said.







Pictured from left: UFCW Local 135 Secretary Treasurer and member of the Board of Pharmacy Rosalyn Hackworth, Ralphs pharmacist Keith Fong, UFCW Local 324 Executive Vice-President Rick Eiden discuss ways the Professional Division can better appeal to members. All stressed how a more active membership will ultimately have a positive impact on collective bargaining.



DENTAL CARE OFFICES



Union dental offices - Members making a difference

UFCW Local 324 represents members at each of these dental offices. Support your fellow members and visit these UNION dental providers. (additional info available at www.ufcw324.org)







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Highs and Lows

FCW's market share strategists raised a skeptical eyebrow at first when they were told that organizers in Northern California planned to target California's medical marijuana industry. But that tongue and cheek skepticism melted away when news from the West Coast suggested that an organizing drive within the cannabis industry would lack one major component—opposition.

In fact, cannabis growers and store owners were actively looking for a union to organize their employees.

Jeff Ferro, representative for the UFCW International Union, met with cannabis cultivators in an effort to identify why.

Ferro reported that the eagerness

Ferro reported that the eagerness
on the part of marijuana moguls to
bring a union to their employees was
not part of a good deed campaign. By
the same token, neither was it an
underhanded rue to make more money.
"They saw how well we worked within the
political power structure to defend the
interests of our members and said to
themselves 'it sure would be nice to have

them on our side," said UFCW Local 324 Executive Vice-President Rick Eiden.

Management's affection for Labor is pure survival instinct. Their enthusiasm for the UFCW is partly due to the influence the UFCW has wielded at the state and local levels. Beginning as early as 2010, UFCW Local 5 organizer Dan Rush took the reins of the campaign and made true believers out of the powers that be quickly. So convinced was the UFCW International Union's organizing chieftains that Rush soon bore the title of organizer and director of "special operations" for the UFCW International Union. Now armed with a business card that was sure to get attention, Rush set out to sign up new **UFCW** members at marijuana dispensaries, instructional/training facilities and cultivation farms.

Rush has had time to fine-tune a pitch in favor of unionization. The controversial nature of the issue—even among die hard unionists—requires it. He is keen to refocus the debate by reminding people that

the question of whether marijuana should be legalized is not the issue at hand. "It's a question of whether workers in trouble deserve a union," he said. Then he matter-of-factly poses this simple question: "Here we have a group of workers who are being attacked and are seeking justice and have come to us for help. We don't just have the right to represent them, we have a responsibility to represent them."

Ironically, the events that have made the headlines recently are likely to inflame the passions of anybody who has had a hand in the two-year long organizing drive. It centers around an Oakland-based "school" named Oaksterdam University.

On April 2, DEA and IRS agents raided the facility and ultimately seized all of its property, leaving behind nary a paper clip, according to eye-witness reports. Its demise was particularly heartbreaking to union activists who popped champaigne with its employees roughly two years ago when it became the first facility in the medical marijuana industry to become 100 percent union.

When members ratified their first contract in June of 2010, they gave union organizers the tool they needed to successfully argue the union's case to hundreds of other workers and ignite a momentum that seemed to be unstoppable.

Organizers trumpeted the contract as an example of what a union could do. Its terms and conditions were groundbreaking for several reasons: It created three different work classifications, the highest of which established a \$45 top rate of pay for professional botanists whose job was to teach growing methods to students.

It also extended a generous array of benefits to workers, including comprehensive medical coverage.

"These were sustainable, single-earner jobs meaning one head of household earning this compensation could support a family," Rush said.

It wasn't long that more collective bargaining agreements were ratified by new groups of workers. Matt Witemyre, who has worked as a SPUR For UFCW Local 5 since

September, played an active role in signing up new members even before attaining his current position. He recalled that when the UFCW targeted a

LA is the latest battlefield in mission to organize medical marijuana industry

new facility for organizing, Oaksterdam set the bar.

But most dispensaries and/or growing farms weren't as financially grounded as the school. Contract negotiations failed to secure health insurance like the model contract, but did manage to improve wages dramatically.

The union victories raised the profile of the dispensaries at a time when keeping a low profile was the safer bet.

Some were hoping that the feds would see a unionized shop as a welcome contrast to the growing array of shady operators that were popping up everywhere. It soon proved wishful thinking as both the Bush and Obama Justice Departments consistently announced that California's ballot initiative legalizing medical marijuana was not legit.

From the beginning, the feds used selective raids of high profile dispensers and cultivation facilities as a means of reminding state and local authorities that federal law trumps anything a legislature or city council might pass. When President Obama announced that such enforcement would be one of his lowest priorities, many in the medical marijuana industry were encouraged.

That optimism didn't last. The proliferation of pot dispensaries exploded and resistance to the new industry began to spread far and wide within the state. Local cities and counties took the initiative to pass bans on new pot-related businesses and even dispensaries themselves.

Federal authorities, emboldened by a larger pool of allies, selectively raided and seized a handful of facilities statewide. Those raids included the bulk of the union's membership within the fledgling industry, wiping out in an instant what took months to build.

FCW and industry officials have been most frustrated with the federal government's refusal to treat the above board marijuana dispensers as a legitimate industry.

But ironically, the closure of the more reputable facilities is providing ammunition for those who feel the UFCW's attention and resources would be better spent closer to home.

They assert that the industry's precarious legal status will mean that any victory will be short-lived. Although the process of collecting authorization cards is much less costly and requires less manpower than the bare-knuckles fights that mark most campaigns, it is not at all without costs.

Each contract, for example, takes time to negotiate, write and distribute. When union members are popping champagne corks one night and filing for unemployment the next afternoon then it is a good bet that a raid by the feds was the reason. Critics of the current campaign contend that the UFCW and its affiliated local unions

the current campaign contend that the UFCW and its affiliated local unions can't afford to organize worksites one week and have them taken away the next week.

The raw numbers confirms that pessimistic assessment. After two full years of organizing an industry in which management offered no opposition the UFCW 's net total gain of members stood in the low double digits.

hat number is down from a high of nearly 2,000 about a year and-a-half ago. All of the losses have been due to closures by federal authorities—a reality some say is not unintentional as federal law enforcement seeks to drive home the point that no one is beyond federal authority.

Perhaps the most far-reaching impact the UFCW may have on the issue could stem from contract language designed to protect workers from being forced to break the law in the scope of their normal job duties. UFCW contracts now routinely include the formation of member/management committees whose sole job is to review procedures and eliminate that which could put an employee in legal peril.

The UFCW's shift southward can be seen as a deliberate tactic to outpace federal authorities instead of convincing them to refrain altogether. The large pool of potential union members that await could be just what the doctor ordered at a time when market share in Southern California is in critical condition.





























Small bargaining unit flexes big muscle

It was only a wage re-opener, not even a full-fledged for a strike vote immediately. contract negotiating session. But that didn't stop workers at Jatar in Long Beach from forming a united front so strong that it forced management to reverse its early inflexible position and agree to across the board pay hikes for employees.

The triumph by Jatar employees will be visible on future paychecks.

The substantial pay hikes came only after Jatar owners dug their feet in the sand with an initial offer that angered union negotiators. Management refused to speak directly with the union, calling instead for federal mediation.

But members showed they could play hardball, refusing to entertain the company's offer and, instead, calling

Members not only answered the call by its leaders to demonstrate solidarity with a solid strike vote, they did it within a couple of hours of being asked.

Results of that vote and the speed in which it came appeared to surprise owners. It took them only minutes to abandon their early intransigence and ultimately agreeing to wage increases that will cover virtually everyone in the company.

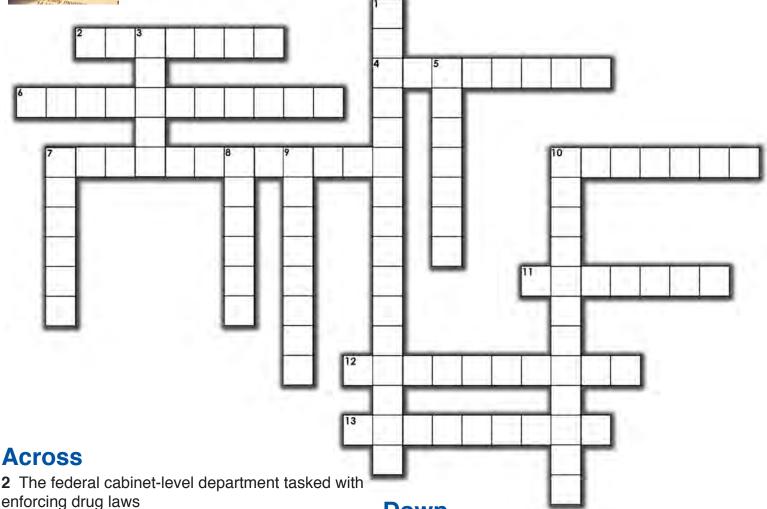
"I've gotten blank stares before when I have said that your union is only as strong as you make it," said Secretary-Treasurer Andrea Zinder. "This is exactly what I mean when I say that. This is the way a union is supposed to



How's that for 'saving money and living better'?



Crossword Puzzle



- 4 The ultimate goal of negotiations
- **6** Fundraising often uses this to motivate people and heighten interest in a cause
- **7** A proliferation of these is causing a backlash against medical marijuana
- **10** A term that refers to wages earned above and beyond the standard rates, usually for late-night or work that is unusually difficult
- **11** A small Southern California-based grocery chain that caters to high-end clientele
- 12 Unity among a group
- 13 The feds say it is not legal

Down

- 1 Opponents of national healthcare claim that requiring people to purchase coverage is this
- **3** These logs attempt to protect companies against lawsuits
- **5** Usually young male orphans, they would spend all day selling newspapers
- 7 This company made a movie called 'Newsies'
- **8** A work stoppage authorized by a formal vote of union members
- **9** A scheduled time at which both parties agree to discuss an issue that can't immediately be solved
- **10** It is a division within the UFCW created for pharmacists

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Hot Topics

Words of wisdom to help you keep your job

Sweep Logs: Maintain Proper Records

-By Field Director Chuck Adinolfi

Your company maintains sweep logs to protect themselves from slip and fall lawsuits. This is the primary reason, but they also want to have a clean and safe store for their customers. These logs often become part of a lawsuit as evidence when an accident occurs in your

store. So, when these logs are not completed and/or are missing required sweeps, management threatens discipline.

Each company has their own policies and procedures on when and how they want these sweeps completed. Sometimes, each department may be required to maintain their own logs that include the date, signature and times of day that the sweeps were completed. Companies consider these logs to be vitally important and require store-level management to monitor them closely.

Unfortunately, members sometimes take shortcuts and sign off on sweeps that were either missed or are incomplete. The fear of possible discipline is the excuse that we often hear. Hours are very tight and it can be difficult to squeeze in all the

> daily sweeps and still get your job done.

Falsifying these logs or signing off prior to completing the task can cost you your job. We have seen numerous members in recent months get suspended and terminated for doing just that. Management has treated these violations seriously and consistently; therefore, it is not worth the risk. We would rather our members receive a written warning than get caught falsifying sweep sheets. Loss prevention has been monitoring in-

store video and comparing the sweep logs to the actual video to see if they match.

In order to protect your job, remember to completely and accurately record all sweep logs. Never sign off on a sweep log until the job has been completed. Notify your union representative immediately if you are asked by management to sign for sweeps that you did not personally do.

Enjoy Your Retirement!

For fun and friendship join the UFCW Retirees' Club!

*Monthly Luncheons

*Semi-Annual Pancake Breakfasts

*Annual Fashion Show

*Annual Indoor Picnic

*Regular Bingo

*Party Bingo

*Bowling

*Arts & Crafts

Easter, Patriotic, & Christmas Boutiques

*Reduced Travel Trips

As a member of Local 324 you are welcome to participate in many of our activities. For information please call: Barbara Hamilton (562) 431-7545, Diana Eastman (714) 528-6720, or Marion Jones (714) 536-7315

Day Lee Foods workers ratify new contract;

Agreement marks dramatic progress from pre-union days

In 1994, the top rate of pay at Day-Lee Foods was \$4.39 per hour, a mere 14 cents above the minimum wage. The roughly 120 employees had no vacation pay, no holiday pay, and no sick pay. The plant was closed for 10 holidays throughout the year—days that the employees were not paid. their fourth contract since joining UFCW Local 324. The final agreement includes substantial wage increases over the life of the contract.

The company's final offer came only after several difficult negotiating sessions.

In fact, union members were scheduled to vote on strike authorization when a last minute offer from the company forestalled the pending vote.

"The day we were prepared to ask for a strike vote we ended up ratifying a contract," said Union Representative Dario Rodriguez.

Union officials had little doubt that employees would have given approval in a strike vote.

Only a week prior, tempers had flared to such a boiling point on the factory floor that Rodriguez had to make an emergency trip to the location.

The incident resulted from a dispute with management that had been building up for some time. The eventual flare up was quickly addressed by union personnel who reminded workers that unlike their counterparts in non-union facilties, they had a far more effective means of addressing their grievance.

Rodriguez said the incident probably had the effect of demonstrating the depth of the workers resolve.



The final tally on ratification was over 75 percent in favor. But even those members who cast No votes were eager to dispel any notion that it was an act of defiance.

One member appeared reluctant to admit he did not vote YES. After disclosing the fact he recited a list of improvements he enjoyed today and declared in Spanish that it was the union that made it possible.

At Day Lee Foods, employees minimum starting pay rate is \$9.19 per hour; workers on the third shift earn an additional 25 cents per hour; 10 paid holidays a year; sick pay; vacation pay that tops out at 3 weeks; medical benefits and a 401K.



That was a snapshot of what life was like for three shifts of assembly line and sanitation workers just weeks before they voted to unionize in 1994.

In mid April, workers ratified



Could TESCO's American experiment be ending?

Anxious investors suggest it's time for the company to cut its losses and refocus its efforts at home

midst financial setbacks to its core UK business, Tesco issued its first profit warning in over 20 years in January this year. With its domestic retail grocery sales and market share down and stock value plummeting, investors have begun to voice their displeasure with the world's third largest retailer.

Led by Richard Black, a fund manager at Legal & General Investment Management, Tesco's 3rd largest

shareholder, investors have clamored for the company to withdraw from its failed American Fresh & Easy venture and to refocus on its UK operations, which generate about 70% of the company's profits.

This is a far cry from the enthusiasm that accompanied Sir Terry Leahy's initial announcement of Tesco's entry into the American retail grocery market, the largest in the world at the time. Then, in 2007, Sir Terry confidently predicted Tesco would become one of the largest grocers in the US, committing \$2 billion to open 200 midsize grocery stores in California and the Southwest by 2009.

Most recently, Philip Clarke, successor to Sir Terry as CEO of Tesco, readjusted the company's break-even target for their Fresh & Easy venture, from 2013 to 2014, after already readjusting the number of stores necessary to do so, from 200 to 300, earlier this year. By any measure, Tesco's Fresh & Easy operation is far off its initial estimated break-even target of two years and 200 stores

Some, such as Jim Prevor, President of the Perishable Pundit, a food industry website, doubt the company will ever recoup its \$2 billion investment.

UFCW 324 President Greg Conger shares Prevor's skepticism, "Seems like every year, next year is going to be the year they break even and the amount of stores needed to accomplish this keeps increasing".

Despite its many unfulfilled projections and the accompanying endless modifications to the operation itself, Tesco claims to have spent two years researching the venture and initially envisioned an operation 10,000 stores strong and spanning the entire US, according to Colin Smith, the former Tesco executive in charge of the US research.

Either way, the history of Tesco's Fresh & Easy venture is a succession of strategic missteps. First, there were the distribution difficulties. The company's inability to timely construct one central supply facility and malfunctions within its computerized requisition system left many stores inadequately stocked. Next, it became quickly apparent that the stores themselves were poorly adapted to American tastes. The sparsely staffed and sterile interiors and the pricey offerings of mostly private label products and prepackaged produce generated little public interest. Then, the amount and



physical locations of the stores proved ill-conceived.

As of April this year, 25 stores have been shut down and another 100 or so remain unopened, some with zoning permits and liquor licenses in hand. Lastly, the company completely underestimated the American workforce's tolerance for its exploitive labor practices. Amidst an ongoing chorus of worker's complaints, the NLRB has ruled against the foreign conglomerate

13 times in the last two years alone.

It's not just the employees who have taken exception to the company's labor policies. Many neighborhoods, especially in California, consider Fresh & Easy's presence a predatory intrusion upon their communities, accusing the self proclaimed multinational 'neighborhood' market of destroying local jobs and siphoning off much needed finances.

The company's indifference to its almost exclusively self-service checkout model's facility for the easy acquisition of alcohol by minors only exacerbated its fragile community relations, eventually leading to the signing of AB183, a bill prohibiting the sale of alcohol at self-service checkouts, by Gov. Jerry Brown.

Tesco is quite used to problems on foreign shores, having completely pulled its operations from Japan in 2011. Its troubles at home in the UK however are something very new.

A recent review of Tesco by some 700 shoppers on British TV, retail expert Mary Portas' website ranked the grocery chain 99th out of a 101 grocers in the UK in customer service.

Recently removed Tesco UK chief executive Richard Brasher and three other chairs from Tesco's executive boardroom are all scheduled to leave the company by January of next year.

Tesco CEO Philip Clarke has put himself personally in charge of the company's struggling UK retail grocery operation. He has publicly announced his plan to commit \$2 billion to revitalize Tesco's core sector, including the hiring of an additional 8,000 properly compensated union employees, to put the "heart and soul" back into the company.

Union officials, in a tongue and cheek offering of sympathy, suggested infusing its stores with some domestically produced "heart and soul" in the form of union employees. After all, they reason, its UK assets are 100 percent union and remain enormously profitable.

According to Jeff Ferro, UFCW International Executive Assistant, "of course, we have been offering and advocating the advantages of happy, highly trained, and fairly compensated union employees to Tesco from the very beginning."

Word on the street



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Off the wall





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