

June 15, 2002

Dear Brothers,

It seems that we might be tested. At times like this we are reassured by knowing as much as possible about what we are facing and what our options are. Once we have that information and a chance to digest it we usually feel more committed and confident in choosing a course of action and making it effective.

In talking with many of you, I understand that you are extremely motivated to win this battle. There is anger, frustration, confusion, and many questions. Mostly I sense you are royally pissed off. Ten years of frustration and resentment and doubt are now going to be expressed with a vengeance in this battle. We never wanted this but if that's the road we have to go down then so be it.

But how did we get to this point? How does this all make sense? Once the enemy and its agenda is defined we feel much better about planning and executing our defense.

In the hope of furthering your resolve I offer some ideas to put this in perspective, at least as I see it. Some thoughts about the dynamics in play and your place in them. I hope it is not too long or time consuming for you.

Let's start off with what is said to have happened. According to the solicitors for OFG in their Nov. 30, 2001 submission to the LRB,

Paragraph 5: "In 1980, Overwaitea constructed a warehouse facility in Langley (the "Langley Warehouse") for the purpose of consolidating its warehouse facilities. In the mid 1980's, Overwaitea's business expanded and the Langley warehouse was doubled in size. However, expansion of the business continued and the Langley Warehouse was not large enough to accommodate all of Overwaitea's warehouse needs."

Paragraph 6: "As its business was expanding, Overwaitea decided to concentrate on its core business and contract out the warehousing of various types of inventory, except dry grocery goods, which remained at the Langley Warehouse. This was consistent with the trend in North America amongst retailers to get out of the warehousing business and concentrate on the core business of retail stores."

Now I'm no lawyer but it strikes me that what is being said here is that because the business was so successful they decided to take some of our work away. And when this success continued, they decided they did not want us as their employees. And if the other companies were trashing their warehouse employees then that must be the thing for them to do as well. But didn't Clarence Heppell make OFG what it is today by focussing on what the other guys weren't doing? Seems to me that they are playing games with words here. If your employees are giving you these kinds of results why would you take away a good part of their work? And after they still provide outstanding performance you get rid of them in a "paper deal"? Nowhere in those two paragraphs is the outstanding efficiency statistics we achieved or the open and ongoing animosity towards us and our union during those years. Nor does it seem to make any sense.

Towards A More Likely Explanation

You don't have to be a rocket scientist to know that if you run a jet on low octane automobile fuel the result will be predictable. The "story" that explains this "failure to perform" is free to blame either the jet, its crew, the fuel deficiencies, or any combination. The "story" will try to explain the "failure to perform" in terms suitable for the story writers agenda. But the important question is what was in it for the owner to put the wrong fuel in the jet to begin with?

What we have witnessed makes no sense. If efficiency, and the low cost per case figure that comes with efficiency is the real standard, as it should be in a capitalistic, free enterprise business, why has this so-called management team been the biggest obstacle to efficiency? Why has the management chosen to continue with a style of management that was clearly ineffective and inappropriate? (clearly lacking a "proof of concept") How does this make sense? Why would OFG tear apart something that worked so well? Why would they also

put obstacles to efficiency in our way? Why would they take such an expensive step backward? What crimes are we guilty of that have brought this charade of decline down upon us? There are a few.

Crime #1: Loyalty and Length of Service

Our experience providing distribution services for OFG has been a long one. Most of us started when this company was nothing and employees were the “heart and soul” of any successful company. It was an era when employees of a successful company were led to believe that, if their employer does well, the employee does well. It spawned a mountain of management and motivational books, seminars, and dialogue.

Enter globalization, it’s corporate agenda, and the “race to the bottom.” Employees were out, “share-holder interests” were in. The “Industrial Age” brought us fair compensation after much battle but we are now in the “Information Age”. This now makes you worthless. You go from being a “human capital investment” to a greedy liability resulting in “high labour costs and reduced revenue streams.” It doesn’t matter that the work is the same, the equipment is the same, the building and the stock still belong to OFG, or employees are essential to getting that work done. Tossed off like last years clothes we are no longer in corporate fashion. One of our crimes is having worked for OFG long enough to have been caught in this “shift” from Industrial Age to Information Age. If you don’t understand it you are poorly educated. If you fight it you are just being backward, a Luddite. Or so the corporate rhetoric goes.

Crime #2: Eyeballing The Corporate Profit Pie

A new employee of a low wage “third party logistics” operation will not equate his paycheck with that of the profits earned by the “customer” they “service”. You do. You feel that when the business that you work for does well you should do well. And you know that you work for OFG. In a business as lucrative as this one with as many years helping build it as you have, you feel entitled to something more than working poverty. This makes you lacking in “worker flexibility”, current corporate lingo for “whatever we say goes”. By whatever corporate rhetoric it is dressed up in, it means the workers are to be cut off from any claim to the profit pie, they are now just an interchangeable mass of robots. Employees are necessary to make any business work. (Did you notice the immediate reaction to our decisions to not work a statutory holiday? Did you notice that when you work those holidays, the Head Office parking lot is nearly empty? One of us is essential to function!) They just need to be some one else’s employees so they are not eye-balling the sacred profit pie. Jimmy’s pie. And in this business the profit pie is huge.

Enter “Third Party Logistics” or 3PL. Here is the means to segregate employees from the “customer” they “service”, any claim to sharing in the “customer’s” pie, and from using some significant Labour Law principles to achieve living wages. It’s beautiful. Globalization without having to move offshore.

“ Better change the name on the pay check. Yeah, that’s it, that’s the ticket. First we’ll just put in a shell company to change the name on the pay check, they’ll manufacture the “story” that explains the “failure to perform”, and then we’ll say bye bye. Globalization under “Third Party Logistics” language. That’s great. Let’s go with that. Globalization without having to leave the area. Perfect. ”

Imagine this conversation:

#1 Boss Man: “ #2, I have decided to break-up the Langley warehouse. We’re going to farm that work out”

#2 Yes Man: “How is that going to look. Those guys have been with us for a long time. That’s a pretty slick operation. It’s got great numbers.”

#1 Boss Man: “ Do I have to spell it out for you? Do what you have to do. Make it look right”

#2 Yes Man: “Yes sir. What’s my budget here?”

#1 Boss Man: “ Whatever it takes. Just make it look right”

Now we are getting close to the big questions: What was in it for the owner of the jet to put the wrong fuel in it? And why has the “story” that has been manufactured always point to the crew?

Crime #3: Having Valuable Skills and Experience

Then there is the crime of actually having skills that are well worth paying for. That just doesn't fit into the corporate rhetoric either. It opens a whole can of worms. If you can prove that you have skills that are worth paying for, so might others. It could get nasty. Others might try to make the same argument. It's hard to quantify and doesn't fit into the low wage 3PL corporate vision. This idea must be eliminated from wherever it has been practiced. Under no circumstances should you be allowed to demonstrate excellence or achieve outstanding efficiency statistics, **NO MATTER WHAT IT COSTS**. Lord knows they have the money to run it into the ground for another twenty years if they want to. You and I know that distribution is very sensitive to work quality, skills, systems knowledge and experience. But it wouldn't look good to shit on the most efficient operation in the business. Having union people recognized for anything besides their ability to show up for work is absolutely the worst corporate nightmare and will not be allowed **NO MATTER WHAT IT COSTS**. Your crime was proving for years what is no longer compatible with corporate rhetoric..

There isn't anything you could have done to change this pathetic chain of events. It was our skills and experience that essentially made it possible to transfer much of the management's responsibilities to union employees. That we handled this insanity as well as we have illustrates your skills, maturity, and experience. I view the statistics generated over the last ten years as “a worst case scenario”. To do what we have to do to achieve departure times and outstanding service levels is easy. To do it efficiently requires RF technology, a real management team committed to success and some semblance of cooperation from OFG. We've had none of these things. If we would have had these key ingredients it's difficult to say what we could have achieved. Clearly this was not what was desired. Hence the Loman charade

Crime #4: Belonging to the Same Union As Retail

Are you guilty of belonging to the wrong union? Has a decision been made to get distribution away from the union that represents retail? Safeway has different unions for distribution and retail. There could be some real advantages in that. Negotiating power and coordinating bargaining dates would obviously suffer but what if Jimmy's boy changes the scab legislation? Crossing of picket lines by members of a different union might be allowed and legislated with the scab law changes.

Remember the retail dispute in 97. Jimmy's boy and the gaggle of right wingers behind him are all abuzz about changing replacement worker law and what great sense it made. OFG took an incredibly hard line at the table and achieved what was predictable: a strike. Election day arrives and Jimmy in on t.v. with his boy Campbell awaiting results. But the NDP win and as fast as you can say “WHOOOPS” the hard line disappears and the strike is settled. Getting ready for the next round?

Are there expansion plans that do not include UFCW ?

Is there expansion plans that EV fits into? Why is Exel hiding at the bottom of the Versacold corporate banner? Exel has revenues of \$6.6 billion. Versacold had revenues of \$95.7 million in 2001. Exel is huge with over 1,000 locations worldwide with 183 locations in the U.S. and 11 in Canada. Versacold has 23.

Yet there is the Exel corporate name hiding at the bottom of the Versacold corporate company list under Subsidiaries/Partners. Why does the Versacold name need to be associated with a dry grocery warehouse when it is Exel that is the heavyweight in this type of warehousing? A little shy of the fact that this is a multi-national headquartered out of Ohio? Looking to expand using an American logistics company?

I think the EV Logistics “Job Fair” ad says it best. “EV Logistics was formed in 1999 through a partnership between two successful logistics companies Exel and the Versacold Group. The partnership was created in response to the needs of our customer- The Overwaitea Food Group- who was calling for a single provider with expertise in multi-temperature distribution services.” Sounds like what they already had at the Langley warehouse. Note that date- 1999.

From Canada News Wire, April 18, 2000, comes this:
Versacold Board to consider strategic alternatives:

Vancouver. “Versacold Corporation announced today that it is initiating a process to evaluate the Company’s available strategic alternatives, including a possible merger or sale of the Company, with a view to maximizing shareholder value.”

Seems to me that things have been in the works for some time now.

Does it seem reasonable that all this has occurred just to build one warehouse? I don’t think so. If there is expansion plans that involve distribution networks created by Exel and Versacold under the EV Logistics name, does it not make sense to get the other union out of the distribution picture first? Doesn’t it make sense to also get rid of their pay and benefits package? Don’t want the other union looking at that while we’re negotiating.

Crime #5: You’re Working In The Wrong Building

Has the warehouse property been slated for another use that has nothing to do with us? It certainly must be worth a bundle. The corporate rhetoric might read, “We are liquidating certain assets in order to leverage capital costs associated with expansion.” Interpretation: “We’re selling the building anyway so let’s see if we can lose these guys and their union at the same time.”

Crime #6: You Still Have An Industrial Age Mindset

Somehow it seems that twenty years of work should amount to better than this. Of course I’m still thinking like an industrial age dinosaur. I thought my work was about skills, experience, knowledge, communication, organization, effectiveness, my ability to step into a number of job classifications seamlessly, and the efficiency that comes from these things. That long service and dedication would accomplish these things. That those businesses that pursued these things best would rise as winners in the struggle to dominate the marketplace. It seemed logical. WRONG. DINOSAUR THINKING. Promoting this line of thinking must also be stamped out wherever this cancer occurs. Thinking that you have value inevitably leads to thinking you might get paid for it. This does not fit and there is some concern your children might learn it from you. It must be stopped. You need to leave behind that Industrial Age thinking and just acknowledge how worthless you truly are.

These are the crimes you are guilty of. Shame on you, you greedy pie-eating backward union scum. Note that not one of them has anything to do with efficiency or creating the best warehouse. Minor detail?

What IS Going On Here?

THIS IS ALL ABOUT SOCIAL ECONOMIC POLICY MAKING BY THOSE NOT ELECTED TO DO SO. It’s about the distribution of wealth, or more specifically, the desire not to. It’s about who gets to eat the pie and how thick their slices are. The worker is not invited. A slice will be given to the “third party” and you can fight over that but don’t even think about anything more. IN THIS CASE THE CUSTOMER HAS BECOME A VOTER AND MUST BE INFORMED OF THAT FACT. You’re not just leafleting, you are educating the customer, the voter, the only real master that corporations must listen to.

That is why I refer to leafleting the customer as educating the voter. Social economic policy comes from elected officials through dialogue and consultation so as to promote equity and stability within the country and its communities. This is not happening as evidenced by the huge and growing gap between rich and poor. It's getting difficult to tell the difference between politics and big business. In choosing where money gets spent or not spent, the voter is casting their yes or no vote. Fortunately we get to vote each and every day and if we feel we voted wrong last time we can change our vote. This is " voting " in the "Information Age".

Some Thoughts on Leafleting (Voter Education).

I am a very strong believer in leafleting. Here's why:

I know it's not the idea itself, leafleting, that is important. It is the execution of the idea that decides its success. A bad idea implemented well is capable of good results. A good idea implemented poorly often does not. Certainly Loman management has taught us this much. Leafleting is a very good idea by itself. With our maturity, intelligence, and sophistication we can turn it into a nightmare OFG never thought possible. And no one can stop us, not even Jimmy's boy. The Supreme Court says so.

Leafleting run from an on-site command post- a portable trailer- with telephone, fax and internet access using an on-site computer to manage and simplify messaging, availability, and assignments is required. All UFCW has to do is provide the facilities, a web page and e-mail address, and we are up and running. We'll also need a cash float to send people up country to the heart of unionism. We will virtually kill sales there while this is on-going. If UFCW HQ is behind us this should be easy. After all this is merely logistics and that is what we do.

It won't take long if it's done right. If it's done wrong it won't be enough. As was demonstrated by the eventual invitation of Gord Carter to the conference at Harrison, you can make a difference. Keep on top of them and demand to be given ALL the resources we require. Nothing less.

Ivan Limpricht, speaking at the May Conference at Harrison Hot Springs: "One of the most gratifying things I get to see on a regular basis is our union going to the wall and defending the rights and dignity of our members." Glad to hear it Ivan. Looking forward to actually seeing it.

If there is no aggressive leaflet language soon we can make up our own. As long as they conform to the legal guidelines and we adhere to the same while we are handing them out, no one can stop you. No one.

There is much more we can do if needs be but I personally suggest you wait until Fri. 21 and give the union the opportunity to do the right thing.

I hope UFCW will do the right thing on our behalf and I know they like to keep their fingers (control) on many of the activities mentioned above. That is fine by me. That is what we pay them for. I'm just saying that one way or another we can put our case to the court of public opinion in a way that no one thought possible, even if their cooperation is limited.

It won't take long if we are outside every store, every day, all day, educating voters. (leafleting customers) I know many of you are already doing this. Strike or not, I believe leafleting needs to take a large and aggressive step forward. Jimmy is concerned with two things here. That the money comes through the door and that it continues to come through the door. Consider the following.

Some Thoughts On The Mood Of The Voter(Customer)

Perhaps the most important questions for the customer (voter) are what will be the consequences for our children, their children, our communities, our culture, if the working people of this province do not participate in taking a stand? Who will be volunteering to coach the kids soccer team when Mom and Dad are both working several part-time Mcjobs and still barely making it? What will become of the family unit? What will

happen to health care and the elderly? What will happen to crime statistics? Divorce rates? Alcoholism? The list goes on. And if working people are working as hard as they can and not making it are they not “new-era slaves”, “information age slaves”? Who will be supporting small business when no one has any disposable income? What has free trade and the corporate agenda behind it brought to this country? Aren't these things worth discussing?

Apparently not according to a new study by the media analysis firm Media Tenor on the big players in the U.S. media, ABC World News Tonight, CBS Evening News and NBC Nightly News. They concluded “In a year in which the country (U.S.) lost 2.4 million jobs, corporate representatives appeared about 35 times more frequently than did union representatives, accounting for 7 percent of sources versus labor's 0.2 percent.” Then there are those statistical manipulations. If you take a full-time job and split the hours amongst 3 part-timers have you created new jobs? Corporations say, “absolutely, the figures don't lie”. Two new jobs were created? This is “job creation” in the “Information Age”. Notice how job statistics fail to mention the quality of the jobs “lost” and the quality of the jobs “created”. Being able to decide what the arguments for or against are, how often to present them, and who to present them to, is vital to any argument that will not fly on it's own merits. You can see why media ownership and its concentration is an important part of the corporate agenda.

This set of circumstances is special. If there ever was a good case to take public this is it. This story is not about capitalism or free enterprise or efficiency or any of that. The warehouse was trashed for reasons that have nothing to do with you and there is nothing you could have done. You have a great argument- the truth - and the means to make it. **MOST IMPORTANTLY YOU HAVE A PROVINCE FULL OF PEOPLE WHO HAVE HAD ENOUGH OF THIS SHIT!!!**

While the “race to the bottom” has enthusiastic support from the corporate suits, the “Living Wage” movement is growing as angry, frustrated and exhausted workers demand more than just working poverty. Why is it that to be a union member supporting a family and a mortgage is to be an affront to progress, a fiscal liability, a second class citizen? As seen with community organization and resistance to Wal Mart, people are starting to demand a voice in the future of their communities and local economy. And then there are those record profits and corporate salaries/bonuses to explain while our elderly eat pet food and our kids are eating high priced sugar of one form or another. Progress in the “Information Age”.

Working people built this province and they are not stupid or blind. They will support you. Many want to know what kind of business they are about to spend their money at. Many are guilty of the same crimes as you and have already been through the corporate laundry machine. What OFG doesn't seem to understand is our voter education (leafleting) impact will remain long after this is all over. Once customers have a chance to get a better look at the competition, their prices, their service, etc., some will not ever come back. This is a fact. What is OFG offering the customer that they will not get elsewhere? Prices?

What I see is what I see everywhere else: more kids doing a job that used to be done by an adult. More jobs paying gas money that used to pay mortgages. The “race to the bottom”. How are they to attract an upscale clientele while they are “divesting human capital” i.e. turning real jobs into Mcjobs? Isn't this a service industry? Isn't that part of the marketing? “B.C.'s Very Own Food People”??? Service from kids and single mothers? Why should these new-hires attempt to build their people skills or product knowledge or even care when all they are ever going to get is minimal hours at starting rates. They know that the management will never allow them to reach the real money. And then there are those record profits. “B.C.'s Very Own Food People” ??? “And Proud Of It” ??? Customers will be hearing a lot about that empty slogan.

In Conclusion

OFG does not seem to understand that we are mature grown men with an intelligent understanding of how to defend ourselves and the sophistication to make it happen. We are not a bunch of kids or working mothers trying to understand what the hell is going on. Most importantly they do not understand how angry we are at

being treated in this shameful, demoralizing, frustrating, and stressful way. They do not understand how motivated we are to get some licks in. Jimmy only listens to one thing and he likes to play hardball. I'm game.

I have heard some suggestions that if there is not some fair conclusion by Friday, June 21, all the stops will come out. Even if there is no strike I expect the union to show some balls and escalate the leafleting campaign to maximum force. Regardless of what anyone says, the odds are heavily stacked in our favour. I hope that the above has spoken to why that is so. Believe it, be committed to it, act on it. All we have to do is tell the truth to people who are largely like us. People with kids and mortgages.

There has been some concerns raised that we will be accused of "illegal work action" as a means for further stalling. What the hell does "illegal work action" mean? I suppose it depends on the setting. Will the definition take into account the circumstances, the details, the essence of why this is a poisoned work environment and why employees are choosing not to stay here any longer than they have to. Will it consider the medical facts concerning stress and fatigue and illness? Will it consider the role the management played in creating this environment? Will it ask those big questions : "What was in it for the owner to put the wrong fuel in the jet? Whose interests were served by blaming the flight crew for this "failure to perform" ?

In choosing how I work I believe it is reasonable for me to follow the standards for performance set by the management themselves. Leadership by example. Given what I have seen there are only two scenarios in which I can see any reasonable use of the "illegal work action" complaint. 1) Detonating a nuclear device within the warehouse or, 2) Taking a few management personnel hostage and putting them through a sado-masochistic bondage experience while listening rap music.

One thing I can tell you for sure: you can trust that the owner will never be on that jet when it takes off with the bum fuel. He simply and logically has doubts about whether the crew can properly do their jobs under those circumstances.

This never had anything to do with you or the principles of a capitalistic, free enterprise business. OFG has very foolishly exposed itself to an argument it cannot win. They have left themselves open to becoming an icon for the corporate agenda and its attack on the middle class. They have exposed themselves to becoming associated with what is lacking in our ability to ensure vibrant communities and our ability to raise healthy families. They have exposed themselves to having this debate with a province full of pissed off working people who are more educated than ever on these issues. Most importantly OFG has exposed itself to having this argument at their own front door, where the wallet, the voter, enters. Or not.

The crisis is not ours, it is theirs.

In Solidarity,

Darryl Gehlen