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# Standing Committee on Industry, Science and Technology

EVIDENCE

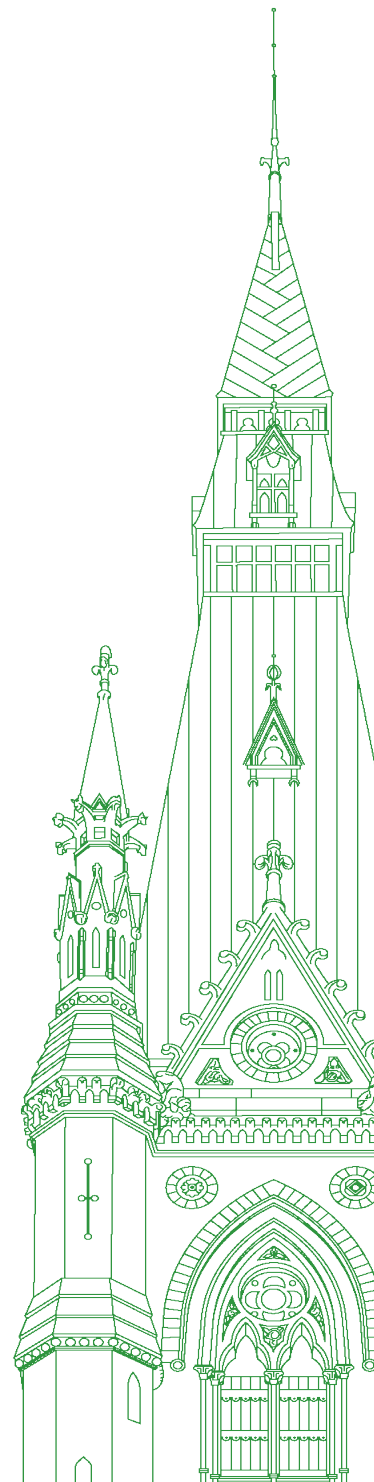
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Monday, July 6, 2020

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Chair: Mrs. Sherry Romanado





## Standing Committee on Industry, Science and Technology

Monday, July 6, 2020

• (1235)

[English]

**The Chair (Mrs. Sherry Romanado (Longueuil—Charles-LeMoyne, Lib.)):** Good afternoon.

I call this meeting back to order. Welcome to meeting number 27 of the House of Commons Standing Committee on Industry, Science and Technology.

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Thursday, June 18, 2020, the committee is meeting on the subject of front-line grocery store workers.

Today's meeting is taking place by video conference, and the proceedings will be made available via the House of Commons website.

I'd like to remind the members and the witnesses that, before speaking, please wait until I recognize you by name. When you are ready to speak, please unmute your microphone and then return to mute when you are finished speaking. When speaking, please speak slowly and clearly so that the translators can do their work.

Please make sure that your interpretation is on the language in which you are speaking.

As is my normal practice, I will hold up a yellow card for when you have 30 seconds left in your intervention, and I will hold up the red card for when your time has expired.

I will now like to welcome our witnesses. From Teamsters Canada, we have Stéphane Lacroix, director of communications and public affairs in Quebec; from Unifor, we have Jerry Dias, national president, Carolyn Wrice, president Local 597, and Gord Currie, president Local 414; and from the United Food and Commercial Workers Union Canada, we have Paul Meinema, national president.

Each witness will have five minutes to present followed by the rounds of questions.

With that, we will start with Mr. Lacroix.

[Translation]

You have five minutes.

**Mr. Stéphane Lacroix (Director of Communications and Public Affairs (Quebec), Teamsters Canada):** Good afternoon. Thank you for the invitation to participate in the House of Commons Standing Committee on Industry, Science and Technology.

First of all, a quick reminder about the Teamsters Union. We represent more than 125,000 workers in Canada in all industries that are crucial to the Canadian society. In the retail and grocery sector, we defend the interests of several thousand workers from one end of the country to the other.

For the Teamsters Union, the COVID-19 premium paid to grocery store workers was greatly appreciated. However, the withdrawal of this bonus sends a contradictory message to workers whose wages are largely insufficient to help them live and prosper.

Before I go any further in my reflections, I would like to take a little trip back in time to give you a quick snapshot of the situation in this industry. First, I must say that I worked in the industry for 11 years in the 1980s and 1990s. I held several positions and have fond memories of that time, but I knew very well that I wasn't going to make a career out of it. The salaries weren't bad when you went up the ladder, but the social benefits and pension plans weren't enough because I wanted to start a family and buy a house and a car. In short, this industry didn't allow me to realize my dreams.

For people of my generation, Generation X, working in grocery stores was also not highly valued. So I made the decision to go back to school. I was hired by the Teamsters, who increased my salary significantly, starting in my first year. This shows the difference between retail, grocery stores and the union world, of course.

Let's move forward now to the 2000s. At the time, I sat as a Teamsters Canada representative on the Canadian Food Industry Council, an organization made up of representatives of major grocery stores and unions. Our goal was to restore this industry's reputation in order to attract new talent.

The retention issues were exactly the same then as they were in the 1990s: inadequate salaries, poor promotion opportunities, low job value, an unattractive pension plan and inadequate group insurance. Here we are now in 2020, and the decision is made to withdraw the COVID-19 bonus from grocery store workers under the pretext that the pandemic is over, which is not the case, by the way.

It was recently pointed out to me that, now, it is not uncommon to observe that workers with more than 10 years of seniority earn barely more than minimum wage in Quebec. The example of one of our members comes to mind because, after more than 10 years of good and loyal service, she earns barely \$14 an hour in a large grocery store chain. So I ask whether someone can live on \$25,000 a year today, in 2020. I don't think so.

I have taken the time to take you on a 30-year journey back in time to make you understand that the issues we face in this industry are not limited to the COVID-19 bonus of \$2 an hour. We all agree that the pandemic has highlighted how important these workers are to their fellow citizens. We believe that these men and women deserve better. We therefore recommend that premium be permanently integrated into salaries. We must also significantly improve pension plans and group insurance. These men and women have contributed a great deal to the well-being of the population, so I think we must return the favour.

Again, thank you for the invitation. I would be pleased to answer any questions you may have.

• (1240)

**The Chair:** Thank you very much.

[English]

We will now go to Unifor.

Mr. Dias, you have the floor for five minutes.

**Mr. Jerry Dias (National President, Unifor):** Good afternoon, Madam Chair and members of the committee. It's an honour to appear today before this committee to discuss the needy and the greedy. Hundreds of thousands of workers in the retail sector across this country have lost their \$2 pandemic pay as a result of the greedy, namely Metro, Sobeys and of course Loblaws and Galen Weston, with his personal wealth of \$8.7 billion. I want to say to Galen Weston that he should be ashamed of himself.

My name is Jerry Dias. I am the national president of Unifor, Canada's largest union in the private sector. Unifor represents 315,000 workers, including thousands on the front line in this pandemic. That includes transit workers, telecommunications workers, food processors, health care and long-term care workers and of course retail workers. More than 20,000 Unifor members work in supermarkets, pharmacies and food distribution centres across the country at Loblaws, Sobeys, Metro, Rexall and others.

I am joined today by Carolyn Wrice, a supermarket worker for Loblaws in St. John's and president of Unifor Local 597, and Gord Currie, a food warehouse worker in Toronto and president of Unifor Local 414. I speak for both Carolyn and Gord when I say our union is proud of the workers who bravely and selflessly stepped up during this pandemic. We want to thank this committee for taking quick action to pull together this hearing today.

It is a matter of national interest whether Canada's biggest retailers conspired to cut pandemic pay premiums for their workers. In March, I applauded these retailers for establishing enhanced pay protections for workers who were off sick or in quarantine. Shortly after, they unveiled wage enhancements that totalled about \$2 extra per hour. This move made good sense. On the one hand, it recognized the enormous safety risks these workers were taking by going to work. On the other hand—and let's be frank here—it recognized that the majority of these workers earn very low wages. Who in their right mind would risk contracting COVID for, in some cases, \$11.32 an hour?

The sad truth is that wages and benefits of retail workers have suffered a downward spiral over the past 30 years. At one point not

long ago, a supermarket job was a ticket to the middle class. Now most supermarket work is part time. In some discount stores, for instance, 90% of all jobs are part time. These folks mostly earn minimum wage, and most minimum-wage workers are women. They have no set schedule and many can't access benefits.

Despite this, retailers are consolidating, getting richer. They're turning out record profits, increasing shareholder dividends and doling out huge executive bonuses. Last year alone, Loblaws, Empire and Metro together cranked out \$2 billion in bottom-line, after-tax net profits. Loblaws CEO Sarah Davis took home \$6.7 million in total compensation, yet front-line workers are barely scraping by. Some are working multiple jobs, and others are leaning on food banks. This is the tragedy underlying today's discussion.

Unfortunately, I can't provide you with any concrete proof of collusion, but to be candid, that's beside the point. This pandemic is not over. The number of COVID cases continues to mount for workers in essential retail shops and warehouses, including in Unifor. Just last week, Canada's public health officer told a Senate committee to be prepared for a "possible return" and "even bigger wave" of COVID at any time. Workers deserve better.

Do I think big grocers should reverse course and reinstate these pay premiums? Damn right I do. In fact, some smaller retailers have committed to keeping them in place. Do I think this fixes the rampant inequality in this industry? Absolutely not. What is needed is a permanent readjustment, a realignment of wages, equal pay, scheduling protections and access to benefits. I encourage you to consider this in your final report, and I encourage you to recommend a more sweeping committee study on declining working conditions in the retail industry.

I couldn't imagine us having this conversation a generation ago. What we're dealing with today is an outcome of neglect and lack of oversight. It is about declining work standards and inadequate labour laws. Let's not waste this moment to get at the heart of this problem.

Carolyn, Gord and I look forward to your questions.

• (1245)

**The Chair:** Thank you very much, Mr. Dias.

Next we will move to Mr. Meinema.

You have the floor for five minutes.

**Mr. Paul Meinema (National President, United Food and Commercial Workers Union Canada):** Thank you, Madam Chair.

On behalf of the United Food and Commercial Workers, I want to thank the standing committee for the opportunity to share our perspective today, for your work on this subject, and for bringing further attention to this very important issue. As the union for Canada's grocery store workers, we certainly have a number of thoughts on this topic.

We're a private sector union that represents more than 160,000 grocery store workers across the country. We also represent a further 100,000 Canadians, and folks aspiring to become Canadians, who work in many other key sectors and other industries.

As our name suggests, the majority of our membership is directly connected to the food sector. To make a long story short, UFCW members work hard, day in and day out, to proudly feed Canadians. As the national leader of Canada's food workers union, I am both proud and concerned that our members have continued to do what they have always done throughout this current pandemic.

Despite the clear and present risks to themselves and their families, UFCW members have stepped up. They've stepped up like the front-line work heroes that they've always been, to help their neighbours, their country, and all of us get through this difficult time.

As a result, hundreds of UFCW Canada members have fallen ill. And yes, some have died, including a father of four, a beloved grandmother and a young cashier with her whole life still ahead of her.

If the current pandemic has resulted in one positive for our front-line workers, it is the recognition that they are now receiving for the crucial work that they are doing, from the general public, from public officials such as yourselves and from the Prime Minister, no less.

This recognition of grocery workers is certainly welcome, but quite frankly, it is overdue.

For food workers, the premium pay is appreciated from a financial standpoint, but it's also an important symbol. It represents a heightened level of respect and acknowledgement that has long eluded this industry and the hard-working people who make it possible.

As their union, we are extremely disappointed in the decisions by Canada's largest retailers and other food companies to cancel these premiums. It doesn't make sense to cancel pandemic pay when we are still experiencing a pandemic situation. More than that, it's simply not fair.

In response, the UFCW has filed grievances over this issue. We have launched a national campaign to engage the public over the cancellation of pandemic pay. We are currently at the bargaining table with our major employers to negotiate the wage increases that these food workers so desperately deserve.

The fact of the matter is that this so-called "premium pay" must become permanent. Every Canadian has a vested interest in making sure that food workers are treated and compensated fairly.

That said, I must add that safeguarding the health and safety of our UFCW Canada members and their families is a top priority. We're calling on both unionized and non-unionized food employers to adopt the set of standards that we have detailed with the industry and the federal government. We've made some progress on this front, but there is still much to do. I would be happy to provide this information to the members of the committee.

While we welcome these hearings, I am curious as to why only Canadian grocers have been called to give presentations. I think the public would benefit from hearing from the huge transnationals that operate in this space and cancelled their premiums a long time earlier.

I would conclude my remarks by suggesting that greater corporate responsibility is only a part of the solution here. Broader action from all levels of government, and legislative and policy reforms that strike a better balance between grocery workers and their corporate leaders are just as essential.

Thank you, Madam Chair, and honourable members of this committee. It will be my pleasure to answer any of your questions.

• (1250)

**The Chair:** Thank you very much.

We'll now move to our round of questions.

MP Rempel Garner, you have the floor for six minutes.

**Hon. Michelle Rempel Garner (Calgary Nose Hill, CPC):** Thank you, Chair.

I'll be directing my questions to all the witnesses.

I'll just start by saying that this might be a rare day, I hope, when Conservative MPs and union leaders can agree on things. I have to say, in watching this unfold, that we are asking ourselves a fairly significant question as a country right now, which is, how do we pay people who are providing food to a population that's on lockdown during the middle of the pandemic when we're asking people to put themselves and their families in danger of the very thing that we're locking ourselves out against?

I don't think we've answered that question very well, frankly. I have to commend my colleague Mr. Erskine-Smith for taking the initiative on this particular study, because we have to get this right.

I'm going to start my questions just by asking some exploratory "what happened" questions from your perspective. I know that in the middle of April my colleagues and I put out a statement calling upon the government to issue, at bare minimum, guidelines for personal protective equipment for various industries across the country so that they could be part of the planning process for distribution and prioritization of PPE.

Were you contacted by the government, as union leaders, at any point over the last couple of months in terms of developing guidelines and/or suggesting standards by which employers should be providing PPE or PPE-secured environments for workers in the grocery sector?

Maybe I'll start with Mr. Dias.

**Mr. Jerry Dias:** First of all, Michelle, thank you very much for your question. You're right, it's at times like this that I'm pleased there are moderate Conservatives who are looking at a discussion about workers as opposed to profits.

On the question of whether the government been in contact with me or the leadership about the issue of personal protective equipment for retail workers, the answer is no. The facts are, when the pandemic hit, as a nation we were caught, literally, completely unprepared because we outsource all of our security.

When it came to the distribution of personal protective equipment, it was really broken down in chronological order, where you started with doctors and nurses and then worked your way down the health care system, where PSWs were last. Then grocery store workers and others who were deemed essential workers came afterwards. As it came to the distribution of personal protective equipment, grocery store workers, unfortunately, were down on the totem pole.

**Hon. Michelle Rempel Garner:** Maybe, just for time's sake, I'll just stick with you, Mr. Dias.

Are you finding right now that most of your workers are having to provide their PPE at their own cost or is it being provided, in the context of grocery store workers, by the corporations?

**Mr. Jerry Dias:** No, the masks, clearly, and much of the protective equipment are being provided now by the employers, but it was incredibly difficult in the beginning because of the raw shortage.

I think you'll find that one of the ironies of this is, as you walk into a Sobeys, Metro or Loblaws, they're now giving everybody who walks in masks, understanding that the pandemic is still alive and well. Yet they, as CEOs, behave otherwise.

**Hon. Michelle Rempel Garner:** The other thing is—I'm just going to quote from the article—that Loblaws is saying it is going to spend \$25 million on a one-time bonus for workers. The calculation is approximately \$140 per person for workers on a full-time schedule, according to your estimate. I guess I'll just give you a chance to expound on that. Do you think that's adequate compensation for the situation some of the workers have been put in over the last several months?

• (1255)

**Mr. Jerry Dias:** No, first of all, it's absolutely ridiculous. We would never agree to end the pandemic pay. We have never agreed to a minuscule lump sum.

The reality is that the pandemic is alive and well. If you look at the grocery stores, their profits have increased significantly during the pandemic. If you take a look at their income from 2019 to 2020, it went up during the pandemic. Once again, this is strictly about greed.

**Hon. Michelle Rempel Garner:** I know the government is looking at the structure of the CERB, and you mentioned that many workers are in part-time situations. Are you hearing anything anecdotally from your labour force, the people you represent, saying they can only earn up to \$1,000; they're not getting PPE; they're in what they feel is a really dangerous situation; and they're not going to work? They're going to take the CERB. Are you hearing that, and what recommendation would you make in that scenario?

**Mr. Jerry Dias:** First of all, I will argue one of the main reasons they gave the \$2 is that it would have been more beneficial for workers to be on the CERB than go to work, but they went to work out of their commitment.

The \$2 can't go away. That's strictly it, but the recommendations have to be more full-time jobs, better pay. This whole precarious part-time non-standard is ridiculous.

**Hon. Michelle Rempel Garner:** Okay. Is there anything else you want to say on this in the last 10 seconds I have on this number one recommendation?

**Mr. Jerry Dias:** The number one recommendation has to be to make sure full-time jobs are coming out of this sector. There has to be an easier mechanism for workers to organize.

**Hon. Michelle Rempel Garner:** Thank you.

**The Chair:** Our next questioner in MP Jowhari for six minutes.

**Mr. Majid Jowhari (Richmond Hill, Lib.):** Thank you, Madam Chair.

I'd like to start by specifically thanking all the union members, all the grocery and retail store employees who helped keep the stores open and active and put themselves and their families on the front line as we pulled back and stayed home. We wanted to make sure we also had food security. I'm glad we managed to be able to give them the benefit, however short-lived.

I want to thank them on my behalf and on behalf of all my team members as well as our government. Your members were instrumental in getting us through to this stage, and I'm sure they'll remain instrumental.

Having said that, I've heard a lot about the pandemic not being over, so why is that pandemic acknowledgement fee of \$2 per hour being cut back?

I'm going to start by reading a statement that came from Loblaws' chief executive officer, and I'd like to get some feedback from all of you about why they would make the statement, if we believe the pandemic is not over.

The statement from July 11, 2020, from Loblaws' chief executive officer reads:

Finally, as the economy slowly reopens and Canadians begin to return to work, we believe it is the right time to end the temporary pay premium we introduced at the beginning of the pandemic. Things have now stabilized in our supermarkets and drug stores. After extending the premium multiple times, we are confident our colleagues are operating safely and effectively in a new normal.

I'm going to pause. I don't want to read the rest because I want to give you an opportunity.

Mr. Dias, let's start with you. Do you believe the pandemic is now over, and if it's not, what indicators are you using? I'm aware of it. I still wear a mask and I know the pandemic is not over and some provinces are at stage two, but how could a statement like that be made, that we are getting back to normal?

**Mr. Jerry Dias:** First of all, it's an irresponsible statement by those who know better. They know the number of employees who are still sick. They know of their employees, but let me talk about mine. Right now we have over 20 workers in the supermarkets and over 15 in the warehouses who are off sick with COVID-19. So the first thing they have to do is tell those 35-plus families that somehow everything is over, because we know it's not.

The comments were strictly based on finance, strictly based on greed. It wasn't scientific. I think they're spending too much time watching Fox TV and listening to Donald Trump. The bottom line is it was an irresponsible statement not backed by any scientific proof. Science is telling us we're in trouble.

• (1300)

**Mr. Majid Jowhari:** Were any of the unions or your members consulted, that the pandemic was over as far as the owners were concerned, or did you just hear it like the rest of us?

**Mr. Jerry Dias:** No, I heard it like the rest of you. Ultimately, when they moved forward to cut the pandemic pay, we had a hell of a lot to say to them, but it was completely non-negotiable. They wouldn't talk to us about it. They made the decision.

We spent a lot of time, in fairness, talking to them about health and safety, about the different procedures and protocols that are in place within our respective workplaces. However, when it came to the pandemic pay, there was no consultation with our union at all.

**Mr. Majid Jowhari:** Okay.

Mr. Paul Meinema, from United Food and Commercial, do you want to add something?

**Mr. Paul Meinema:** *[Technical difficulty—Editor]* of the summaries is very accurate. There's no doubt that the pandemic is not over. I would just like to add a couple of significant issues.

We were contacted by Loblaws to say they were going to end the pandemic pay. We were adamantly opposed to ending the pandemic pay. We made as many issues of it as we could.

We also reminded them of the 20 protocols that UFCW Canada was able to put together. We were able to put them together because we are an international union. We called on the best standards from our colleagues and unions in Europe and in South America, and all of these issues would indicate that the pandemic is still ongoing and that pandemic pay should not go.

UFCW's call and letter to the employers at the beginning of April.... The letter was also shared with the government, with Min-

ister Tassi and Minister Hajdu. We did speak with Minister Tassi on the issue. In the letter, there are 20 protocols that we asked to be put in place for all retail food stores, for all retailers. One of the points on there is very clear that the pandemic pay must stay, must become permanent and must be increased.

**Mr. Majid Jowhari:** I thank you. I have about 30 seconds left and I really want to hear from Teamsters Canada.

Stéphane, do you want to close?

*[Translation]*

**The Chair:** Mr. Lacroix, go ahead.

**Mr. Stéphane Lacroix:** I fully agree with the representatives of Unifor and UFCW. We all know that the pandemic isn't over. The \$2 an hour that has been added to the workers' wages must therefore, now and forever, be built into their wages. I'd like to stress once again that earning \$25,000 a year isn't enough.

**The Chair:** Thank you very much.

Mr. Lemire, you have six minutes.

**Mr. Sébastien Lemire (Abitibi—Témiscamingue, BQ):** Thank you, Madam Chair.

First, I think it's important to point out the absence, on this first day, of representatives from the employer's side or from major chains. It would have been relevant to hear their opinion on this debate.

I liked the fact that Mr. Lacroix began his presentation by mentioning that, in the 1970s in particular, working in a grocery store was dignified work. In those days, a grocer's salary was enough to buy a house. That is no longer the case today, since the salary is about \$25,000, which is the equivalent of \$14 an hour. That gives me a lot of food for thought.

I would like to re-emphasize the basic idea of incorporating bonuses on a regular basis. It is therefore a question of increasing the minimum wage. In fact, one of the consequences is that work in grocery stores is seen as work that is more suited to students, because working conditions, such as part-time work and the lack of a pension or group insurance plan, are more easily acceptable when you are a student.

So it's definitely no longer aimed at the middle class, making it a transitional job. All the planning and logistics become more and more difficult.

I imagine that, for unions like yours, mobilizing these workers to obtain better working conditions must be rather difficult. In my opinion, in the context of the COVID-19 crisis, it should be recognized that this is an essential service and that the issue at stake is related to the dignity of workers.

In my region this morning, I attended a meeting involving representatives of the Centre intégré de santé et de services sociaux d'Abitibi-Témiscamingue. They told us that they had hired 700 people. The context of COVID-19 has been good for promoting jobs. However, the representatives added that most of these positions were filled by grocery store or convenience store employees. It is impossible for grocery stores to compete with them in terms of salaries. This bonus should be incorporated into salaries.

However, I also received several calls from these companies telling me that their employees no longer wanted to work, because they were afraid of COVID-19 and because they could get more money with the CERB. In fact, the CERB has gone from taxable to non-taxable a few times. All of this has been very difficult for employee morale, I'm sure. As elected officials, we have to do something about it.

Mr. Lacroix, do you think an order in council is conceivable to regulate the grocery industry?

• (1305)

**Mr. Stéphane Lacroix:** Thank you for your question, Mr. Lemire.

In my opinion, this is an option that should be considered. There must be some form of framework for workers' conditions. I won't point the finger at any one company in particular, but obviously the retail trade and grocery stores in general don't seem to want to put in place working conditions that will make it possible to sustain jobs in this industry, to attract new talent or to create full-time positions, in order to create a part of the economy where people can work in this field for life, as I would have liked to do in the 1980s and 1990s. That wasn't possible then, and it's still not possible now.

It doesn't matter what kind of framework the federal government would put in place. What is important is ensuring that workers will be paid properly and that they will have decent group insurance and pension plans.

That's what's important right now, that there be some form of order in council. We know that orders in council work, because they allow for more equal competitiveness among competitors, which, surprisingly, is beneficial to private enterprise and to workers.

Earlier, you mentioned mobilization. Teamsters Canada is currently noticing a phenomenon of increased mobilization. Our members are telling us that the employer is lowering their wages by \$2 an hour, that they have worked hard and that they are putting their lives at risk. Some people have told us that six months ago, they weren't considering going on strike, but that since their lives are still in danger, strike action is now a possibility. In fact, they feel they are worth more and better.

We will have to monitor this situation in the coming weeks and months.

**Mr. Sébastien Lemire:** Well, bravo.

You have one minute to answer my question. The COVID-19 crisis has highlighted shortcomings in your industry. What do you think those gaps are? What solutions do you suggest to make the food retail trade more attractive?

**Mr. Stéphane Lacroix:** Since I have just spoken at length about the shortcomings in terms of workers' conditions, I won't go into that again. I think that my colleagues from Unifor and the United Food and Commercial Workers Union Canada agree. That said, there may be shortcomings in the deployment of measures to deal with this type of situation. This is the first pandemic we've experienced in Canada. I don't want to be a prophet of doom, but I unfortunately believe it won't be the last.

**Mr. Sébastien Lemire:** Thank you very much, Mr. Lacroix.

**The Chair:** Thank you very much.

Mr. Lemire, I just want to let you know that grocery store representatives will be here on Friday, during our next committee meeting.

**Mr. Sébastien Lemire:** That's excellent news. Thank you.

[English]

**The Chair:** I now move to MP Masse. You have the floor for six minutes.

**Mr. Brian Masse (Windsor West, NDP):** Thank you, Madam Chair.

Thank you to our witnesses.

I'd like to thank my colleague, Mr. Erskine-Smith, for bringing forth the motion to have the chains come forward because they were caught with collusion in the bread scandal across the country by the Competition Bureau. I amended the motion to include at least some worker representation. There's no doubt that this issue, and this industry, could use more oversight and more activity, and all members have been supportive of that. We'll see where we go, but this is just the first dive at this, no doubt.

The first question I have is for UFCW and Unifor. With regard to the structures inside both groups of workers you represent, I didn't realize that your workers at, for example, Food Basics versus Metro, or No Frills versus Loblaws, are paid differently. They could be part of the same company, but they're structured so that the basic stores, or the ones that are at the lower end of the grocery store chain in terms of their modelling, pay their workers less. Is that true?

• (1310)

**Mr. Paul Meinema:** Mr. Masse, thank you for your question, because it will illustrate this. What's important for everybody to understand—and the Teamsters and Unifor are aware of this as well—is that the current situation that we find ourselves in with grocery store workers is that the downturn in the value of this work occurred in the late 1980s and early 1990s, with the entrance of multinational Walmart.



What occurred then was that for the first time in Canada, we had a situation of a deep discount. They paid less, they provided no benefits and they competed with the large chains that have since consolidated. As Jerry said earlier, there's been a huge consolidation, but they competed, because what we referred to as "conventional stores" that had meat departments, bakeries and full-service checkout people who took your groceries out to your car, with the new model from Walmart, their slogan was "Always low prices", "The lowest price is the law" and "We're price dropping".

What happened in Canada was a huge entrance into what they call discount and deep discount stores: Food Basics and No Frills, as you mentioned. What occurred is they set them up to deal with these other issues, and we've seen a decline in conventional stores.

You're absolutely correct. If you have a conventional store, like a Fortinos or an Extra Foods, you'll see that those collective agreements are superior and the rates of pay and benefits are superior to those at the deep discount stores like No Frills and Food Basics.

**Mr. Brian Masse:** Thank you.

Is that the same with the workers that you represent, Mr. Dias?

**Mr. Jerry Dias:** Yes, there is no question there are different pays depending on the discount stores. One point that can't get lost when you are talking about recommendations is—and I'll go back to Michelle's question—that the federal government needs to introduce some minimum wage legislation. I understand that it governs the federal government and the federal sector, not the provincial area, but it's about taking a leadership position.

What has happened through so many of our collective agreements is that yes, our members make more than minimum wage, but when you see maximum jumps such as minimum wage in Ontario under the Wynne government and in Alberta under the Rachel Notley government, many of our members, unionized and certainly non-union, got wage increases.

It shows that governments can play a real role here. The government, recognizing the important contribution of retail workers, should do something about it.

Paul laid out the history well, but there's no question that workers who work in a main street Loblaws will make more than those who work in the discount stores.

**Mr. Brian Masse:** There's no doubt. We started a \$15 minimum wage policy federally about four years ago, I think, so even that is a modest response.

What's really upsetting to me is that I have a Food Basics in an area I represent in Windsor West that is clearly inferior in the way it's serviced, the way it's kept and its standards. What upsets me even more is hearing about this wage differential, because the people around there are also workers. It's in one of the most disadvantaged, challenged, demographically diverse areas. It has hiring issues historically.

What really bothers me a lot about this is that the stores don't have to have a policy of paying their workers differently. That's a business choice to deliberately provide lower service and fewer products. On top of that, they know they are in depressed areas compared to some of the other areas in the suburbs that are more

affluent, with better jobs, better products, better service, and that's their business model. It's outright discrimination towards some of the poorest and most disadvantaged neighbourhoods we have, and they implement this policy. They build their business on it.

You wonder why people get upset about this, because the kids and the part-time workers around them.... I know, because I used to be an appointments specialist for persons with disabilities, and they are the most vulnerable in this. You're right about the hours being set and the lack of follow-up.

At any rate, this needs a lot more work than what we're doing in these committee hearings today. There's no doubt there is structural discrimination by the grocery store chains in some of the most disadvantaged areas. All you have to do is walk the aisles of the stores to see the difference. Why do some neighbourhoods get treated differently from other ones?

● (1315)

**The Chair:** Unfortunately, that is your time, Mr. Masse.

We will now move to MP Gray for five minutes.

**Mrs. Tracy Gray (Kelowna—Lake Country, CPC):** Thank you, Madam Chair.

Mr. Dias, I've seen some grocers and their temporary pandemic paperwork stating that things were essentially going back to normal pay. However, we know that provincial emergency declarations still exist. I hear concerns in my constituency from small business owners when they go to their local grocery stores that they're still struggling to find things like sanitizing wipes, cleaning equipment, and protective equipment for their staff and their customers to ensure they can open safely.

Mr. Dias, would you agree that shortages of these items in grocery stores mean we're not back to normal?

**Mr. Jerry Dias:** I'm joined today by Gord Currie and Carolyn Wrice, presidents of locals on the ground, so why don't I turn it over to Gord to answer your question?

**Mr. Gord Currie (President, Local 414, Unifor):** You asked about the shortages. Yes, there still are shortages. I'm in the stores pretty well every day looking around, and you can't find hand sanitizers, Lysol wipes, and those sorts of things. I keep asking the managers and they say they have a hard time and the suppliers can't deliver them, so obviously the pandemic is still there because they're going to places that would need it more, the hospitals or whatever. Yes, that's a good point. They don't have that stuff.

I have a hard time trying to find things like that myself. I bought hand sanitizer in the variety store. That's where I had to go.

**Mrs. Tracy Gray:** Great. Thank you for that.

Mr. Dias, you mentioned there was no coordination from the federal government to provide essential workers with protective equipment early in the pandemic.

Have you heard any concerns from employees at grocery stores you represent who are still having issues with access to a consistent supply of PPE and cleaning supplies to ensure they have a safe work environment?

**Mr. Jerry Dias:** There's no question. I laid out earlier on that there is a food chain for even the essential workers as to who gets what, so there is lot of difficulty within our workplaces in getting some of the basics.

Our members are upset and scared. They have the right to be, but they come to work out of commitment.

As I said, the fact that our members are frequently working in two or three different grocery stores to make ends meet is a challenge similar to what we had with the PSWs in the long-term care facilities. We know that diseases are contracted and easier to spread when people are going to multiple workplaces, so the challenges in the health care sector are alive and well in the retail sector, and our members deserve better.

**Mrs. Tracy Gray:** Okay. Thank you for that.

I'd like to talk about the fiscal capacity of Loblaw's.

We know that in 2016 Loblaw's bid on and won the B.C. government's online auction to acquire B.C. wine licences. Though the final bids were not made public, we heard through government statements, in information bulletins that they put out in November of 2016, that the auction was expected to raise just under \$7 million. [Technical difficulty—Editor] obviously saw the revenue opportunity in these licences. [Technical difficulty—Editor] through most of the pandemic and people basically eating from home for months. It's been reported that other liquor retailers' sales have been up.

Do you believe that companies like Loblaw's have seen an increase in sales of wine, and a profit higher than the cost of the temporary pandemic pay, during this time?

• (1320)

**Mr. Jerry Dias:** Well, the numbers speak for themselves. Ultimately, Loblaw's profits in the first half of 2019 were small as compared with what they are in 2020. They will tell you quite emphatically—embarrassingly, I would suggest—that their profits during the last three months have been larger than in modern history.

So they have benefited very well from the pandemic. As I said, they should be ashamed of themselves for what they did.

**Mrs. Tracy Gray:** Great. Thank you.

I see that I am out of time, Madam Chair.

**The Chair:** Thank you very much.

Our next round of questions goes to MP Lambropoulos for five minutes.

**Ms. Emmanuella Lambropoulos (Saint-Laurent, Lib.):** I'm actually starting to lose the connection, Madam Chair, but I will do my best.

[Translation]

First of all, I would like to thank you for representing this group of workers who took on their role heroically during the pandemic, which we are still fighting. These workers continued to provide essential services to all Canadians when they could have stayed home and received the CERB. They remained loyal to their employers during that time.

As you pointed out, the pension plan is already inadequate for these workers—

[English]

**Mr. Jeremy Patzer (Cypress Hills—Grasslands, CPC):** I have a point of order, Madam Chair.

**The Chair:** Yes, Mr. Patzer.

**Mr. Jeremy Patzer:** As I'm hearing both the member in French and the interpretation at the same time, I'm hearing nothing. There are two voices at the same time.

**The Chair:** MP Lambropoulos, can you make sure you're on a French channel?

Okay. Can we try again?

[Translation]

**Ms. Emmanuella Lambropoulos:** There we go, done. So I will continue.

As you pointed out, the retirement plan for those workers is already inadequate. Their group insurance is inadequate. They certainly deserve more than this \$2 premium.

My first question goes to you, Mr. Lacroix. Could you tell me what percentage, how many, of your members still earn only the minimum wage set by their own provinces?

**Mr. Stéphane Lacroix:** I would say that it is at least 50% of them. In some cases, they earn a little more than the minimum wage. Here, in Quebec, a considerable number of our workers earn barely more than the minimum wage.

Here is what I have noticed in recent years. Each month, in our grocery stores in Quebec, 10% of the employees leave the job to go and work elsewhere. So we have a rotation; it is a revolving door situation. That very clearly indicates that conditions are not adequate. Even if the salary is slightly above the minimum wage by \$1 or \$2, the conditions are clearly inadequate. So people decide to leave the job, to look elsewhere, and to work in other industries.

**Ms. Emmanuella Lambropoulos:** In your opinion, what measures should be put in place to deal with periods of uncertainty like this one? What conditions, what salaries should grocery store employees have?

**Mr. Stéphane Lacroix:** I don't have a specific salary to suggest, but I can state that, if we do not re-value the grocery trade—let's call it that—we will never be able to keep people. We will never be able to stop the revolving door. That would involve a substantial increase in salary.

If someone earns \$25,000 or \$30,000 per year, can they buy a house and start a family? In Montreal, a basic, decent condo costs between \$300,000 and \$400,000. Can a worker earning \$25,000 or \$30,000 a year afford to buy a condo or anything other than a mediocre apartment?

They also need decent group insurance, so they don't have to empty their wallets to go to the dentist. Then, they need a pension plan that will allow them to retire at 60 or 65 without too many financial problems. Finally, they need a decent wage. Is that \$17 an hour, \$20 an hour or \$25 an hour? It depends on the regions and the circumstances, but one thing is for sure. The government has to get involved in this. It has to evaluate the situation completely from one region to another. It has to establish a structure that will result in the companies in the industry making sure that their workers have decent wages and conditions.

So I can't tell you whether we are talking about \$17 an hour or \$20 an hour, because that will vary from one region to another. Thank you for the question.

• (1325)

**Ms. Emmanuella Lambropoulos:** Thank you very much for your comments, Mr. Lacroix.

[English]

Monsieur Dias, on June 18, 2020, in a media release you stated that the extra \$2 an hour was only beginning to make up for the historic inequalities in the industry. You stated that this \$2 premium should never be removed, and if anything it should be increased.

Do you have any comment on this?

**Mr. Jerry Dias:** You're absolutely correct. The average Canadian makes \$52,000 a year, so that's about \$25 an hour. The broader question is, if grocery store workers are deemed essential during the pandemic, then certainly they're deemed essential, period. Why should they earn less than the average wage earned here in Canada?

I see the red card so we're out of time, but there's no question that I stand by my comments.

**Ms. Emmanuella Lambropoulos:** Thank you so much.

**The Chair:** Our next round of questions goes to MP Dreesen. You have the floor for five minutes.

**Mr. Earl Dreesen (Red Deer—Mountain View, CPC):** Thank you very much, Madam Chair.

I know that Mr. Masse had indicated the bread scandal and the collusion associated with that. Coming from a farming community, I just wanted to make the point that even if you doubled the price of bread, farmers would only be getting a few pennies more. There is a lot of money made in agriculture, but it's not necessarily made by farmers.

What I'd like to do is talk to Mr. Lacroix as far as the Teamsters are concerned. It's been so important to get the products to the

stores. I know that there were major issues earlier on. I had spoken with a lot of people who were concerned—the truckers and so on—about simple things like having public washrooms open, places where they could pick up food, and so on. Hopefully we've learned something from that.

The other thing we can look at is maybe for the grocery people. When we go to our local co-ops and so on to pick up our groceries, we see the great effort that is being made, and we see the workers wiping down the equipment between customers. We see the little dots on the floor. People understand that if we follow those, we'll be able to continue working together. I think that's critical.

I'm not sure who initiated some of those things, and I'm curious whether those were steps that the workers were helping to incorporate, and what other suggestions you might have for front-line workers, whether it be those who are on the grocery line, or—perhaps starting with you, Mr. Lacroix—those who are actually getting that food to our stores.

[Translation]

**Mr. Stéphane Lacroix:** Thank you for your question, Mr. Dreesen.

You mentioned something interesting when you were talking about trucking. I can tell you that we have learned nothing from trucking. Of course, trucking companies are doing their work properly and have established a structure to protect truckers. Nevertheless, that took a huge amount of time and was extremely difficult. The companies needed to be constantly reminded to establish safety procedures for their people. Even today, truckers often have difficulty finding places where they can go to the toilet or have a shower.

The situation has been resolved, but it took a lot of weeks. François Laporte, the president of Teamsters Canada, had to give a lot of interviews in order to put pressure on the system.

I believe that the government, and the industry too, needs some crisis management, a continuity plan—a contingency plan, if you like. The continuity plan must be done before a pandemic, or between pandemics, not right in the middle of a pandemic, when we are already going through a difficult situation.

As for the safety measures that were established, retail businesses and grocery stores did a good job and we must acknowledge that. They paid some attention and showed some empathy for the workers. The workers also came up with ideas and proposed things that enabled them to stay safe.

Before I finish, I would just like to add that, on dozens of occasions, I have personally seen the extent to which members of the public, customers in grocery stores, are not always aware of the situation. They go in the opposite direction to the signs, they are physically close to the workers, they touch the workers, and they touch the products when they do not need to.

There is still a lot of awareness work to be done, and it's not just up to grocery companies and grocery stores to do that. It's up to the government to do it, but it is also up to us all to show some discipline collectively. As I was saying to you earlier, we are in the middle of Canada's first major pandemic, but I don't think it will be the last.

• (1330)

[English]

**Mr. Earl Dreeshen:** Thank you very much.

**Mr. Paul Meinema:** Could I address that question as well, Mr. Dreeshen?

**Mr. Earl Dreeshen:** Yes, thank you.

**Mr. Paul Meinema:** Early on in this pandemic, we put together a list with our unions around the world of the 20 best practices for retail stores that included everything that you see now. Many of those came from workers, they came from unions, and some did come from the employers.

We forwarded that to Minister Hajdu, what all the workers and all the employers who we represent saw as the best practices, and I'm proud to say that most of them have been adopted, but not all of them. The other part is that it's not consistent throughout.

**Mr. Earl Dreeshen:** Thank you.

**The Chair:** We now turn to MP Ehsassi.

You have the floor for five minutes.

**Mr. Ali Ehsassi (Willowdale, Lib.):** Thank you very much, Madam Chair.

Thank you very much to the witnesses for your very powerful testimony. I know I speak on behalf of all my colleagues and Canadians in general when I say we owe a great debt of gratitude to essential workers during these very difficult times.

Even before this pandemic, I think the topic of living wages was problematic, let alone at a time like this when a lot of employees have a lot of concerns.

I'll start off with Mr. Dias.

In response to my colleague MP Jowhari, you said that your union had received no heads-up that they were phasing out the wage increases.

If we take it back one step further, throughout this difficult process during this pandemic, was management at these grocery stores in touch with you as to how to put in safeguards? It seems to me that workers would know much better what needs to be done than management. Were they ever in touch with you with respect to what safeguards to put in place?

**Mr. Jerry Dias:** The grocery store chains were certainly in touch with our local unions. They were in touch with my staff who repre-

sent the grocery store workers, and my assistants have been all over this.

We have been a part of the discussions as they relate to the workplace, the health and safety of our members and, frankly, the protocols and procedures for the customers.

Once again, on the whole issue of the pandemic pay, not once did any one of the major grocery stores contact our union to say that they were going to be cutting the pay. They never talked to us about cutting the pay. They never talked to us about agreeing on a lump sum payment. That was not done with us at all.

**Mr. Ali Ehsassi:** Mr. Dias, before I turn to the other witnesses, we heard from one of the witnesses about the number of employees who had fallen ill. Could you give us some numbers as well? We're all girding for the testimony we're going to be hearing from management on Friday. It would be very helpful if we had those numbers.

**Mr. Jerry Dias:** We had one of our members pass away who worked at a warehouse, but as we are sitting here today we have, I believe, 20 active COVID cases in the supermarkets and 15 in the warehouses.

Let me turn it over to Gord Currie.

• (1335)

**Mr. Gord Currie:** Yes, I can tell you the numbers as of yesterday. We're looking at about 8,000 members. This is just in Metro alone. We have 20 in the distribution centre and 18 in the stores. Now nine have returned to work in the distribution centre and six in the stores. We did have one death in the warehouse.

**Mr. Ali Ehsassi:** Thank you.

Now, if I could put the same question to Mr. Lacroix, how many employees have fallen ill?

[Translation]

**Mr. Stéphane Lacroix:** I don't have that information at the moment.

[English]

**Mr. Ali Ehsassi:** Mr. Meinema, would you comment?

**Mr. Paul Meinema:** We've been as high as 60 active cases throughout Canada. We've had four deaths in the retail sector. We've had two deaths in the meat-processing sector, and well over 3,000 people impacted at one point or another in food processing.

**Mr. Ali Ehsassi:** Thank you.

Mr. Meinema, my follow-up question is to you. You said this is an issue you're bringing up at the bargaining table. Given the problematic living wages that a lot of employees are receiving, what is the standard response that management gives you when you raise these types of legitimate concerns?

I just want to be prepared for Friday.

**Mr. Paul Meinema:** The thing that they will always bring up is who their competition is and what their competition pays.

Our argument back is that we believe the system is actually flawed. The logistical system of retailing groceries is flawed when we are more concerned about driving lower costs, which impact the Teamsters with the trucking, and which impact Unifor, Teamsters and UFCW with warehousing, because we end up with warehouses that are fully automated. The system itself has very thin margins, but I believe that the very thin margins are because the design of the system itself is to make sure that we keep thin margins.

That's where I think the government has to play a huge role in a living wage, so that if the real argument is competition, then take the non-union competition and force them into the same situation when it comes to wages and benefits. Union members will receive more benefits overall. They'll receive a pension overall, but those are all parts of it. The thin margins that the retailers always talk about, I think, are a flaw in the system because that's what we're driving things to rather than looking at increasing and improving the lot of life for workers.

**Mr. Ali Ehsassi:** Thank you, Paul.

**The Chair:** Thank you very much. Unfortunately, that's all your time, Mr. Ehsassi.

[Translation]

Mr. Savard-Tremblay, you have the floor for two and a half minutes.

**Mr. Simon-Pierre Savard-Tremblay (Saint-Hyacinthe—Bagot, BQ):** Good afternoon.

My question is for Mr. Lacroix. It will actually be two complementary questions in one.

First, it can be said that, in the last 20 years, the industry giants have not provided quality working conditions for their employees, since salaries have not kept up. Despite the fight by the unions, it can be said that it is still difficult to obtain better working conditions. What advantages would there be in imposing a government order?

Second, I would like to deal with the matter of a potential pay raise. Let's assume that the pay raise of \$2 an hour for grocery store workers was made mandatory. I don't want to presuppose any motives, but we can assume that the companies will say that they can do it, but that the bill will be passed on to the customers. That's the classic argument. I would also like to hear what you have to say about that.

**Mr. Stéphane Lacroix:** It is certainly a classic argument. We don't know anymore how to come at the problem of the conditions for workers in this industry. Thank you for your questions. I will answer the first one first.

One of the advantages of an order is that it allows companies to compete on a level playing field. It means that no companies are paying very high wages while others are paying very low wages. Everyone provides wages and working conditions that are basically similar. Government orders work. In Quebec, orders have been put in place for certain industries, and they did not automatically inflate prices for consumers.

For example, an order governs the garbage industry around Quebec City and it has not inflated the municipal tax bills of the homeowners in the region. It's a kind of urban myth that companies use to try and get out of having to pay and treat their workers correctly.

This is 2020 and people are paid \$15 an hour. Frankly, I think we have to move on to the next step.

● (1340)

**Mr. Simon-Pierre Savard-Tremblay:** Thank you for your comments, Mr. Lacroix, I am with you entirely.

**The Chair:** Thank you very much, Mr. Lacroix and Mr. Savard-Tremblay.

[English]

Our next round of questions goes to MP Masse. You have the floor for two and a half minutes.

**Mr. Brian Masse:** Thank you, Madam Chair.

A report from CTV has two grocery store workers in Windsor testing positive for COVID-19. That was public today. They are from the Real Canadian Superstore on Walker Road and the Dougall Avenue location as well. If anyone has said that the pandemic and the price of work have lessened, it's not true. We all know a second wave is coming.

For my question, I'll start with the Teamsters and allow them to get it. I have only about a minute and a half after I finish, so perhaps we can be as quick as possible.

Would more full-time positions in this industry also lessen the risk for the public and the workers, if there was more permanency and routine to those positions? I'm a PSW by training. Many PSWs have to work two or three different jobs. You have heightened exposure, and the risk to the people you're serving is heightened because you have to go from place to place.

My question, starting with the Teamsters, then UFCW and finally Unifor, is this: Would a greater stability of full-time jobs improve safety not only for the workers there, but also for the general public?

**Mr. Paul Meinema:** I can begin.

On the sheer mathematics of it, Mr. Masse, absolutely. If you have five people or three people coming in to do part-time work, and one full-time person could do that job, clearly that would be fewer points of contact, so there's no doubt that just on the simple math, it would be better.

On top of that, those part-time workers wouldn't go to another employer or another retailer to work, so they would have less contact because they would have one full-time job. As we all know, full-time employment, with a proper living wage, would keep these folks in better shape all around.

To your earlier point, Mr. Masse, on the food deserts and the inadequate stores and these types of issues, a national food policy will get us there, but full-time jobs will make a big difference.

**Mr. Brian Masse:** Okay.

**Mr. Jerry Dias:** Let's move over to Carolyn Wrice.

**Ms. Carolyn Wrice (President, Local 597, Unifor):** Yes, for sure. I represent retail workers here in Newfoundland. People are struggling from paycheque to paycheque. If they had full-time jobs, full-time wages, definitely it would be a lot safer for everybody. We have people here in our stores who are going from store to store trying to get 40 hours a week. It's not a good way to live. We have some of our workers going to food banks. It's not good here.

Of course, we live on an island. We have just joined the Atlantic bubble. There are people coming in to our province. We don't really know what they're bringing in to us, and they're—

**The Chair:** Unfortunately, Madam Wrice, that's all the time we have for that round.

**Ms. Carolyn Wrice:** Thank you.

**The Chair:** I'll have to move now to MP Patzer.

You have the floor for five minutes.

**Mr. Jeremy Patzer:** Thank you, Madam Chair.

My first questions will go to Mr. Meinema.

Earlier you had mentioned the thin margins that some of the stores are reporting, and the need for systemic change. As an example, my riding here is 77,000 square kilometres in size. I have something like 140 different communities within the riding. They're all very small towns. A lot of these individual small towns have their own grocery stores. The margins are so thin that if there were a mandated minimum wage increase from, let's say, where we are now to \$15 an hour, I've had most of those store owners tell me that they would have to fire all their employees and work longer and more hours themselves, as the store owners, because they literally could not afford it.

How do we address that issue and that concern going forward?

**Mr. Paul Meinema:** I think that question always comes up when we talk about either the minimum wage or raises through a collective agreement. I think there's a bit of fallacy in that situation. We hear it from small retailers and we hear it from large retailers, each time, that if minimum wages go up anywhere in the country, they're going to close the doors and they're going to lay off people. That actually doesn't occur. What does become factual is that people have more money to spend inside their communities, and that will generate more income and more jobs.

Again, I believe it's a flaw in the system that we need to keep margins so tight that it does not allow proper compensation to be provided to the people doing the jobs, but when we have a pandemic, they were able to [*Technical difficulty—Editor*]. We don't see

stores closing and we don't see people going out of business as a result of this portion of it. I do realize that the pandemic has hurt people in other areas, but I'm talking about food retailers. There is research out there that says people are saying, "Look, if I knew that the grocery store person I see every week could get a decent wage and some pension and some benefits if I had to pay a couple cents more on a can of tuna or for my carrots, then I would happily pay it."

A number of things will provide better and more stability. You can talk about some of the things in the small communities that you're talking about. As Carolyn Wrice said, very clearly, we have some people, some workers in these stores, who are using food banks. We have to accept that there's a flaw in this system. We could provide a far better situation for the workers who are in there and for those small communities, because there would be more money for them to spend at other locations as well.

• (1345)

**Mr. Jeremy Patzer:** Okay. Yes, I mean, again, going to those systemic changes, do you have any specific suggestions that would aid in that? It's great that we're having this conversation, but outside of this pandemic, I think because people have been forced to stay home if they're able to.... Maybe they're still working in their small town. They're not travelling abroad. Maybe right now they have potentially more to spend on food and those essentials. Outside of this, if life returns back to normal, we'll be faced with that challenge, especially when we have carbon taxes going up and different things like this that make transit more expensive and the cost of food more expensive.

What are the systemic changes that we're going to need? What are some really tangible things we can do that will help?

**Mr. Paul Meinema:** There's been talk for a long time in Canada about a living wage. I think that's a conversation that has to seriously, seriously get some legs. As well, a conversation on guaranteed minimum income needs some legs.

Going back to my comment earlier, there has to be a full discussion about what a worker in a store makes and what a CEO makes. There needs to be a full and robust discussion about the profits these stores make as compared with what the workers in these stores make. I don't think there's one quick fix. There needs to be a holistic approach that looks at the logistics of this form of retailing to provide a better and more stable income for not just the workers but also the communities you talked about.

**Mr. Jeremy Patzer:** For sure. I guess the big issue, going back to the small-town model, is not that there's a CEO structure there. One person is the CEO, the owner, the front-line worker and the stock person. They're doing everything because the margins are just so small. That structure, per se, doesn't necessarily exist there, although in the context of talking about Loblaw's and these bigger companies, yes, that for sure is an issue.

**Mr. Paul Meinema:** I would also suggest, though, that even the small retailers are buying groceries from a warehouse situation. They are perhaps getting advertising assistance as franchisees. There are very few completely independent grocery operators left in Canada. They are attached to a Loblaw's, they are attached to a Sobeys, they are attached to a Metro, or they're attached to a Federated Co-op. That's where they buy their groceries. There still is a structure. There are very few stores left that are a true ma-and-pa operation, driving to the warehouse and buying and selling in the community.

Pardon me, Madam Chair.

**The Chair:** It's okay. Thank you very much.

Our next round of questions goes to MP Erskine-Smith.

You have the floor for five minutes.

**Mr. Nathaniel Erskine-Smith (Beaches—East York, Lib.):** Thanks very much.

To the UFCW, when the hero pay was first implemented in April, was the decision communicated to you before it was made public?

**Mr. Paul Meinema:** Yes, it was communicated to the UFCW before it was made public. We had conversations with all three of these employers about how to implement it and how to get it done. The conversation—

**Mr. Nathaniel Erskine-Smith:** Did they tell you at that time why they were doing it? If so, what did they tell you?

**Mr. Paul Meinema:** Well, there were a few reasons. They were doing it to recognize that there was a situation in their stores and that there were some risks involved for workers who were in an unusual situation. There were some employment retention situations.

All of these things became a part of the process, and as I said earlier in my comments, UFCW worked with our international allies to find out the best practices in these situations. The COVID pay, the pandemic pay, was one of those issues.

• (1350)

**Mr. Nathaniel Erskine-Smith:** Within a 24-hour period between June 11 and 12, Metro, Loblaw's and Empire—which owns Sobeys—publicly announced that they were cancelling the pandemic pay on the 13th.

Was that communicated to you in advance as well?

**Mr. Paul Meinema:** I had a conversation with Loblaw's with regard to ending the pandemic pay. They called to inform me that they were ending the pandemic pay. As I said, I was adamantly opposed to ending it.

**Mr. Nathaniel Erskine-Smith:** When did that call take place?

**Mr. Paul Meinema:** Shortly before that, Mr. Erskine-Smith. I'm sorry, I don't have the exact date in front of me, but it would have been within a couple of days of their making the announcement.

**Mr. Nathaniel Erskine-Smith:** The other stores didn't communicate with you at all.

**Mr. Paul Meinema:** I did not have any conversations with either Metro or Sobeys.

**Mr. Nathaniel Erskine-Smith:** Who communicated the decision to you from Loblaw's?

**Mr. Paul Meinema:** It was their head of human resources.

**Mr. Nathaniel Erskine-Smith:** Could you confirm the date for the committee—I know you don't have it today—when you have the opportunity?

Mr. Dias, you mentioned that there are workers who are still on the front lines putting themselves at risk, and in fact there are members of your union who have recently had to leave work because they have COVID-19.

The purpose of the pandemic pay, as described to UFCW, was to compensate workers who were putting themselves at risk. Has that risk ended?

**Mr. Paul Meinema:** No.

**Mr. Jerry Dias:** We all know the answer to that question. The answer is no. The fact that two workers again just tested positive, as was announced today in Windsor, is proof positive. The argument is nonsense, and every one of us on this panel understands that. I will argue that they understand it as well. This had nothing to do with the pandemic somehow being over and seeing a pot at the end of the rainbow. This was a decision made about money, period.

We've had some earlier conversations about the impact of higher wages. The previous MP asked about the small community and the ma-and-pa shop. Look, you can't use the worst-case scenario and say that somehow it should be the litmus test for the industry.

Paul is right that there are very few ma-and-pa shops. The overwhelming majority of the grocery stores in urban and rural communities are owned by large players that are making money hand over fist. This is not an economic decision that was made on the pandemic pay as opposed to their bottom line, because we know they're making more money now than before the pandemic.

If the money was tied in to their ability to pay, then they should be paying \$4 more an hour, because they're making more now than they did at the same time last year, so it's a nonsense argument.

**Mr. Nathaniel Erskine-Smith:** I have a hypothetical question for you. Say I'm a multi-billionaire. I have maybe a family-owned business that generates millions of dollars for me. That business has earned record profits recently. I've publicly stated, though, that I believe in a progressive living wage. Do you think that hypothetical person would cut pandemic pay?

**Mr. Jerry Dias:** No, because you would think people would have some integrity. People would walk the talk.

Those who are in a situation to effect change and talk about it can't talk progressive on Monday and do the total opposite on Tuesday. To me, somebody who would do that is a hypocrite.

**Mr. Nathaniel Erskine-Smith:** My wife was recently on a virtual call with our doctor for a check-in for our six-month-old. The doctor noticed that this hearing was happening, and he said, "You know, these workers are front-line workers, just like I am."

I'll close there. Thanks, all.

**Mr. Jerry Dias:** Thank you.

**The Chair:** Thank you very much.

To Mr. Meinema, if you could please forward the information that was requested by Mr. Erskine-Smith to the clerk, he will make sure it is circulated to the rest of the committee.

**Mr. Paul Meinema:** Could I respond now, Madam Chair?

**The Chair:** Certainly, if you have that information.

**Mr. Paul Meinema:** To the best of my ability, looking through my phone records here, it would have been June 8.

**The Chair:** Thank you very much.

**Mr. Paul Meinema:** I will stand corrected if it's out by a day or two. I was trying to dig through my phone.

**The Chair:** Thank you very much.

Our next round of questions goes to MP Rempel Garner. Ms. Rempel Garner, you have the floor for five minutes.

• (1355)

**Hon. Michelle Rempel Garner:** Thank you, Madam Chair.

I'll take a slightly different tack. This is an industry that has been in transition, and it saw disruption prior to the pandemic. What I mean by that is that we're seeing more automation and seeing changes to the last mile of delivery. We have companies like Instacart. Drivers for Instacart aren't part of a union and don't have guaranteed hours and wages, but they're definitely part of the system now. I get the sense that what happened during the pandemic is.... There was a decision to close down restaurants, for example, as part of the public health measures, and that removed a substitute for grocery stores, so you saw an increase in profit for grocery stores.

In that context, as we look at policies to address some of the challenges that you have all brought up today as union leaders, I'll go back to the comment you made, Mr. Dias, that the \$2 wage increase could potentially push people out of the CERB. Can you expand on that comment for me? We have Instacart, an increased profit margin and automation. Now we have the CERB. What are the broader impacts of the pandemic issues on the workforce that

you represent? What would your recommendations be in terms of equity?

**Mr. Jerry Dias:** First of all, has there been a spike because of the pandemic? The answer is yes. Remember, Michelle, that Sobeys, Loblaw's and Metro made two billion dollars' worth of profit last year. When is enough, enough? What's with the justification that increasing wages will have a negative impact on the price of food? One could argue that if they only made \$1 billion instead of \$2 billion, they could lower the price of food. These costs shouldn't be maintained on the backs of workers.

I raised a question and made a comment about the CERB. There are part-time workers who are working in two or three stores, getting minimum hours. Some workers would have made more money, frankly, sitting at home collecting \$500 a week than working for a little over minimum wage for 15 hours a week. It's simple math. Did companies give a \$2 pay increase for honourable reasons? They would publicly say so, but there's no question that in the back of their minds they were thinking, "How many of our employees will stay home and be better off?"

Those are the things that have to be taken into account, but as I said earlier on, Michelle, I think first of all the federal government should come out with a living minimum wage and put pressure on the provinces to follow suit.

**Hon. Michelle Rempel Garner:** I think you made the point I was trying to drive at but couldn't quite figure out how to say. With the CERB, especially looking at how we design it going forward, is there an inadvertent design flaw such that retailers could use it to their advantage for profit, given the disruptions they were already experiencing and their drive towards automation? I find that such an interesting comment. I think it's something that we as a committee really need to consider.

The leaders here all represent workers, especially in the processing industry. We saw so many cases of COVID there. I'm from Alberta, and the meat processing plants in Alberta were a hotbed for this. The systems all tie into each other. How do we as parliamentarians come up with a set of cohesive recommendations for the broader food services industry as we look at a potential second wave of the virus in months to come?

**Mr. Paul Meinema:** I think what's really important in that regard is looking at the second wave.



We represent probably 90% of the people in the food and meat processing industry in Canada. We went through the situations at Cargill, JBS, Olymel in Quebec and a couple of Maple Leaf plants. I think the protocols that were....

I don't know if I have time to end my comments.

• (1400)

**The Chair:** Go very quickly.

**Mr. Paul Meinema:** There are protocols in place that need to be consistently applied, and we have to look at the fact that people are going home to their families from the bread-and-butter jobs in food processing and retail. They interlock so much. People are going home to food processors or retail workers. That has to be watched very closely.

Thank you, Madam Chair.

**The Chair:** Thank you very much.

We now turn to MP Jaczek. You have the floor for five minutes.

**Ms. Helena Jaczek (Markham—Stouffville, Lib.):** Thank you, Madam Chair. I'd like to thank all the witnesses for making their points so very clearly. I think we're well armed for Friday when, obviously, the big three are going to be with us.

In terms of your representation of the workers, who I think we've all come to understand are truly essential workers, what can we, as federal representatives on this committee, actually do? What kinds of recommendations can we make in terms of federal government activities?

I wanted to start with you, Mr. Meinema. You mentioned that you're at the bargaining table. There's some talk of national health and safety standards. Would you be able to elaborate a little bit on what you would like to see from a health and safety point of view?

**Mr. Paul Meinema:** Yes. Thank you very much.

From the health and safety point of view, early on in the process we forwarded to Minister Hajdu and Minister Tassi what needs to be done in both food processing and the retail food sector. They are good protocols, and I would say that union and non-union people alike have adopted some of them, but it's not consistent.

I think the federal government can help in both food processing and retailing, because there is money available. Whether it's CERB or money available to the retailers or money available to food processors to help them through COVID, they could clearly say that part of this process should be that we follow accepted and recommended guidelines consistently throughout the whole game. That, quite frankly, would save lives.

**Ms. Helena Jaczek:** Thank you.

Mr. Dias, you've argued for a federal minimum wage, of course, and presumably an enhanced minimum wage. As you are aware, provinces set their own minimum wages. I just scanned what they are across Canada, and I was fairly appalled at how low they are.

**Mr. Jerry Dias:** Yes.

**Ms. Helena Jaczek:** It doesn't seem that any sort of federal leadership to date has influenced provinces to follow in any meaningful way.

How would you see that process going forward? Again, from our point of view as a committee, what kinds of tangible recommendations could you make that might be influential on provinces?

**Mr. Jerry Dias:** Well, first of all you have to lead by example. The fact that there is no federal minimum wage is a red light right there. I look at the workers at airports who suffered through contract flipping, such as the Swissport workers, who are suffering the same fate as it relates to scheduling and poor wages.

Ultimately, the federal government is going to have to say to the provinces that there has to be a broader study. There has to be a better bringing together of the minds and a discussion at the premiers' meeting, which the Prime Minister will address. We need to say, "Listen, we've just lived this, and these are the essential workers." You can't have the Jason Kenneys of the world, and frankly, the Doug Fords, saying when they first come into power, "Look, the problem is we're open for business, so we have to freeze the minimum wage", which, we now know, impacts the most vulnerable essential workers in society.

There has to be a broader discussion. There has to be a challenge from the Prime Minister to the premiers, saying, "What are you going to do about this?" This is a public discussion that's going on from coast to coast to coast. I believe that premiers who are now negatively impacting these essential workers are going to have one heck of a price to pay.

As for the argument about corporate tax cuts creating jobs, I think we've watched what's happened in Alberta. We're watching what's happening here in Ontario. I think everybody knows that those are sad old arguments that are going nowhere. The federal government has to lead by example.

**Ms. Helena Jaczek:** Monsieur Lacroix, would you have some advice, again to the federal government specifically?

[Translation]

**Mr. Stéphane Lacroix:** I feel that the moment is right, in the sense that Canadians are perfectly aware that improving working conditions in this industry is the right thing to do. People know how crucial and essential the role of grocery store workers is, not only for the Canadian economy, but also for the welfare of all Canadians.

If the federal government sets the example and demonstrates the leadership, provincial and territorial premiers will perhaps have no other choice but to follow suit. Canadians have understood what is happening and know that, without those workers, it would have been extremely difficult to confront the pandemic.

• (1405)

[English]

**Ms. Helena Jaczek:** Thank you.

[Translation]

**The Chair:** Thank you.

The floor now goes to Mr. Lemire, for two and a half minutes.

**Mr. Sébastien Lemire:** Thank you, Madam Chair.

Mr. Lacroix, here is the question I ask myself. Since the \$2-an-hour increase during the COVID-19 crisis is a temporary measure, can it be said that a return to normal was something the employees you represent expected? Or has it created some frustration, even a feeling of injustice, because governments are still saying that the pandemic is not over?

Do you see that \$2-an-hour increase as window dressing on the part of the industry or as a recognition of their workers?

**Mr. Stéphane Lacroix:** I cannot say that it is window dressing. I feel that it is a recognition by the industry. However, removing it has created a huge amount of frustration.

We see it every day. The workers tell us so. They do not understand why they are risking their lives at the height of a pandemic. The pandemic is not over. I repeat, we are still in a pandemic, and there may well be a second wave this fall.

Consequently, we are in a situation today where the employers are taking away the money from the workers while the pandemic continues. So a level of exasperation is increasing; we can see it. Negotiations are starting left and right and we feel that the workers are more and more motivated to become active, to bang on the table. So, we will see how things firm up in the coming weeks.

One thing is for sure. I feel that the workers, the public, the government and the members of Parliament have understood. All my union comrades have the same point of view as I do on this matter. All that is left is for the companies to understand and to provide working conditions that are clearly superior to those they have at the moment.

**Mr. Sébastien Lemire:** We have seen that the CERB has possibly had a rather negative effect on low-paid workers, in the sense of their interest in being able to work or not work in the grocery stores.

Do you think that extending the CERB once again, could have a negative effect on the interest in working in the industry? Would you not have preferred employment incentives, such as the government increasing wages by means of a premium for essential workers?

**Mr. Stéphane Lacroix:** Yes, a premium for essential workers is required. In addition, companies must assume their responsibilities and put more money on the table for the workers, so that those who are risking their lives every day can continue to work with fewer financial troubles.

There, you get it.

**Mr. Sébastien Lemire:** Thank you very much.

[English]

**The Chair:** Thank you very much.

Our last round goes to MP Masse. You have two and a half minutes.

**Mr. Brian Masse:** Thank you, Madam Chair.

Let's put some context to this.

When COVID-19 hit, grocery store chains remained open. Their closest competitors were restaurants, bars and other food services, which were closed altogether. Then they temporarily reopened with new structural models that today are still somewhat restricted, so government policy actually changed the business model in favour of the chains. That's just the reality of what it is.

I worked extensively to try to get credit card rates lowered, and some of that was done. Some of the telcos stepped up, providing freer services or expanded services. Even Lowe's is continuing with its \$2 pay increase.

If grocery store chains make record profits off this situation, they deserve a special corner in hell for it, because the most stressful thing for people is to get food and sustenance and to have that security. Think back to those months when people were worried about getting into a grocery store in their neighbourhoods, about losing bus service and reduced public transportation and all of those basic supports. We even saw a run on toilet paper.

Mr. Dias, I'll start with you in regard to this aspect, since you mentioned it. Do you believe that grocery store chains are making record profits during this time and are expanding their business models at an advantage because of government policy? I'm not faulting what we did and how it was done, but it has led, in my opinion, to a net benefit for them. I think this might be true for their bottom line as well.

**Mr. Jerry Dias:** I see a difference between the CERB and the pandemic pay. There's no question in my mind that one of the reasons that employers gave the two bucks was the potential of the CERB.

However, I agree with the CERB. There are some pieces of it that I think need to be fixed, but a lot of low-wage earners who work in restaurants, a lot of the most vulnerable in our society, need it to get through the pandemic, so I don't second-guess that decision. What I do second-guess is what they did.

We know that 80% of all grocery store workers in Newfoundland make less than \$15 an hour, so we know the CERB has been about a 20%-plus pay increase during this time period. The question is—

• (1410)

**Mr. Brian Masse:** I only have a few seconds, so I'd like to get something on the record. Do you think that the workers you represent who are working in the chains are making more money during COVID-19? I'd like a quick answer from everybody.

**Mr. Jerry Dias:** Yes. Yes, they are.

**Mr. Brian Masse:** Do the others agree?

**Mr. Paul Meinema:** I believe that they are, but I believe that the CERB is absolutely necessary—

**Mr. Brian Masse:** Yes, absolutely, I agree on the CERB.

Mr. Lacroix, would you comment?

[*Translation*]

**Mr. Stéphane Lacroix:** The answer is just one word: yes

[*English*]

**Mr. Brian Masse:** Thank you, gentlemen.

**Mr. Jerry Dias:** Thank you.

**The Chair:** That is all the time we have today. I'd like to thank our witnesses for being with us today, and we look forward to hearing from the representatives of the grocery chains on Friday.

With that, this meeting is adjourned.

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