

Labor Group Opposes Wal-Mart Canada's Bank Application

By **ANDY GEORGIADES**
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TORONTO -- The Canadian Labour Congress, an organization of the country's national and international unions, is opposing Wal-Mart Canada Corp.'s application to establish a bank.

In a letter to Canada's Office of the Superintendent of Financial Institutions, or OSFI, CLC President Kenneth Georgetti said his group is prepared to make a detailed submission about "Wal-Mart's character and integrity to operate as a bank in Canada" should the government hold a public inquiry into the application.

He also says in the letter that the CLC has been "informed" that The Public Interest Advocacy Group, or PIAC, has filed an objection to Wal-Mart Canada's banking charter. Officials from PIAC, which describes itself as a nonprofit group that provides legal and research services on behalf of consumer interests, couldn't be reached for comment.

The letter is dated Nov. 3, which was the deadline for objections to be filed with OSFI.

Wal-Mart Canada, a unit of U.S. retailing-giant Wal-Mart Stores Inc., announced in September its intent to start a bank. Andrew Pelletier, Wal-Mart Canada's vice-president of corporate affairs, said it would be inappropriate to comment out of respect for the application process.

"However, we believe our application fits with the broad interest among industry groups and consumer advocates for greater access to affordable banking services," Mr. Pelletier told Dow Jones. "We hope to join the other Canadian retailers already providing similar financial services.

Wal-Mart has already obtained a banking license in Mexico, but its U.S. application was ultimately withdrawn after nearly two years of wrangling with U.S. regional banks, unions and other organizations.

Michael Sherrard, a lawyer with Sherrard Kuzz LLP, a management-side law firm and part of the Worklaw Network, said it's not likely the union will be able to stop Wal-Mart.

He said the opposition of the CLC, which is the Canadian equivalent of the American Federation of Labor and Congress of Industrial Organizations, reminds him of a U.S.-style "corporate campaign," in which a union that is having trouble organizing a company's workers targets the company's brand name. While the intent is to get the employer to adopt a neutral stance during organizing drives, the strategy can backfire, he said.

"The employer can say to the employee population, 'they want to damage our business, which is bad for you,' " he said.

Wal-Mart has long been a target of the United Food and Commercial Workers union in Canada, but the union's success has been limited. Last month, Wal-Mart Canada closed a unionized six-man auto shop at a store in Gatineau, Que., which enraged the UFCW. The company said an "unworkable" contract imposed by the government, which raised wages 33%, was to blame for the closure.

In 2005, Wal-Mart Canada closed an entire store in Jonquiere, Que., several months after it was union-certified. The Supreme Court of Canada has agreed to hear the case involving that closure in January.