

End of the strike's in sight

Norcal, union sign agreement; vote set Friday

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The long, bitter strike of 1,000 workers against Watsonville Canning and Frozen Food Co. is over — unless, against all indications, Teamsters union members refuse to ratify a tentative agreement Friday morning.

Officials of the Teamsters union and Norcal Frozen Foods — the newly formed company that has taken over the defunct Watsonville Canning's operations — reached agreement in San Francisco yesterday to end the 18-month-old strike against the Watsonville frozen-food processing plant.

Strikers will vote on the contract at 9 a.m. Friday at the Watsonville Veterans Hall.

Jubilant Teamsters officials, who portrayed the outcome as a union victory, said the striking union members will be rehired on a seniority basis by Norcal and that the approximately 700 non-striking workers who kept the plant going during most of the strike's duration will be fired.

The Teamsters also said the contract calls for recognition of the union as the exclusive bargaining agent for the workers. The contracts are expected to "provide wages and fringe benefits equal to those in existing contracts with other frozen-food plants" in the Pajaro Valley, a statement from the union said.

Union officials wouldn't give details of the Norcal contract, but talk along the picket line and at the union hall last night indicated the standard wage of \$5.85 had been offered.

Health benefits will be delayed for workers at Norcal, according to strikers. Only if a worker puts in more than 1,400 hours (about eight months of full-time work) this year will he or she be eligible for health coverage next year. Part-time workers, those called only to work a few months of the year, will not become eligible for health benefits until they have worked three consecutive years.

These provisions for new hires are the same as in the contract at Richard Shaw



Chip Scheuer

Local Teamsters' leader Sergio Lopez handed a strike bumper sticker to Norcal boss David Gill yesterday. Watching were Teamsters Joint Council President Chuck Mack (seated) and members of the local negotiating committee during signing ceremonies for the new contract

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Frozen Food Inc., according to Richard Shaw. But Shaw said Norcal will save about \$300,000 the first year by being exempt from health benefits, a discrepancy for which he said he will seek an adjustment when his contract is reopened for negotiations again in February, 1988.

Also, according to strikers who have heard details of the contract, Norcal will not have

to pay into a pension fund until July.

Also, the Norcal contract is said not to include a probation period for former Watsonville Canning employees.

David Gill, the head of Norcal, was also upbeat about the future of the frozen-food operation and the viability of the contract he had just signed. Gill, a King City-area grower, formed Norcal at least in part

as an effort to recoup the reported \$5 million owed him by Watsonville Canning.

Gill said that fewer than 200 people will be hired at first, but that the number will grow as more crops are harvested. He said the work force will be about two-thirds of normal this year and next; he hopes the plant will be back to full strength "maybe by the third year (1989)."

Neither Norcal nor the union would reveal details of the contract before it's presented to the strikers Friday.

The agreement was signed at Teamsters Joint Council 7 offices in San Francisco, where Teamsters officials had been negotiating since Friday with Gill.

"It's very gratifying" to have an agreement "just when everything seemed lost," said a beaming Sergio Lopez, chief officer of Teamsters Local 912 at the press conference following the signing.

Lopez said it was "an amazing feat" to get an agreement so quickly. A negotiating team of five strikers was called to San Francisco for the final talks yesterday.

After steps were taken to form Norcal a month ago, Lopez and Gill had spoken informally several times.

Lopez said strikers will continue to picket the plant until an agreement is voted in. Pickets have been at Watsonville Canning around the clock since the strike began.

"We are going to work together," Lopez said. "The frozen-food industry can and will be saved."

The frozen-food industry has been stung in recent years by increased competition from foreign countries, where labor costs are substantially lower. Imports now make up about 25 percent of the U.S. market, Gill said.

Some 1,000 workers have been on strike since September 1985, when Watsonville Canning wouldn't renew their contract for \$6.66 an hour, instead paying non-strikers \$5.05, which was later raised a dime.

Workers at Shaw's went on strike at the same time; that strike was settled in January 1986 for \$5.85 an hour, a cut from the previous wage of \$7.06. Crosetti workers accepted a cut from \$7.06 to \$5.85 last July.

Gill said the Norcal contract "is different from other agreements" in the industry, but he wouldn't elaborate.

After the press conference, Lopez said those differences are positive ones for the union, and are not in wages and benefits.

"It's kind of a joint partnership," Gill said.

Gill, who represents 14 growers, was Watsonville Canning's major creditor. Watsonville Canning's total debt is said to be around \$18 million.

Gill said he had considered simply absorbing the debt, but decided the company was worth saving, and that there is a market for what will be produced. "The aspect of having a market" for the vegetables "was enough motivation," he said.

After the press conference, Gill acknowledged, "There's a risk involved. It's high risk, sure."

As for start-up costs, "We've got that all worked out" with Wells Fargo, he said. "We're borrowing against our share of the inventory."

Watsonville Canning's \$7.3 million in inventory was signed over to help pay off debts.

Gill wouldn't say what the new company's debt load is.

Chuck Mack, president of Teamsters Joint Council 7, said, "It was evident they (Norcal) wanted to make a settlement. We appreciate their good-faith bargaining."