

# New financial agreement reported

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A new financial agreement with Wells Fargo Bank allowed Watsonville Canning and Frozen Food Co. to reopen its plant today, according to a state official investigating the firm's finances.

The Walker Street plant has been idle since company officials closed the gates 11 days ago.

Company president Ron Trine said the shutdown was due to a lack of raw product, but other sources say it was because of disorganized company finances, and lack of payment to growers.

Company officials were unavailable for comment this morning. But growers have confirmed there is an offer on the table that would make them part owners in the company in exchange for forgiveness of debts owed by Watsonville Canning.

George Reese, chief of marketing enforcement with the California Department of Food and Agriculture, who is conducting an investigation of the firm's finances, said the news, from company attorneys this morning was encouraging.

"As their attorneys told me, Watsonville Canning is reopen-

ing under a new financial agreement with Wells Fargo Bank," said Reese. "The company is doing all the right things to satisfy marketing enforcement."

Reese has requested that Wat-

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sonville Canning provide him with several specific records of producer accounts payable. He said since the company is being "100 percent cooperative," a full-scale audit is not necessary at this time.

Kim Kellogg, head of public relations with Wells Fargo Bank in San Francisco, would not comment on the new agreement with the frozen-food firm this morning, but said further details might be released this afternoon.

"There is one thing we would like to clarify, however," said Kellogg. "Whatever is being circulated out there, growers must understand that Wells Fargo Bank can't guarantee payment within seven to 14

days."

There had been some rumors last week that the bank would guarantee growers they'd get half-payment for product delivered in seven days and the second half in 14 days. The industry standard is a 30-day lag between delivery and payment.

Kellogg said federal law prohibits banks from guaranteeing such payments. She said if such a payment plan is being offered by Watsonville Canning, it is

something the company is arranging privately with its growers.

Records on file with the Santa Cruz County Recorder's Office indicate that Wells Fargo has extended a credit line of at least \$18 million to the strike-bound company.

In documents filed with the county on Friday, several real estate holdings of company owner Edward T. "Mort" Console were deeded to Wells Fargo as collateral for at least \$5 million in outstanding loans.

As non-striking employees arrived at work this morning, they were greeted by the familiar stream of verbal abuse from strikers and strike supporters.

"Are you working for free?" workers were repeatedly asked.

About 20 strikers and their supporters gathered near the main gate on Ford Street; they were warned not to violate the court order prohibiting more

than four pickets at one gate.

Police kept three squad cars and a van on patrol in the cannery area.

A count on the number of workers at the plant was not immediately available. Last week, company president Trine estimated there would be "300 to 400, maybe 500" returning to work.

Non-striking worker Glen Sugarman, fixing a broken door at the employee entrance, cheerily replied, "Oh yeah, when asked if he and the others were happy to be back to work."

The people want to work," he said. "That's why we've been crossing the picket line" the last 13 months.