

No end in sight to Watsonville strike

Pay cuts 'necessary'

"We would not have given the proposals we gave that led to the strike if it was not absolutely and unequivocally necessary."

— Smiley Verduzco, president of Watsonville Canning and Frozen Food Co.

By KEITH MURAOKA
Sentinel Staff Writer

WATSONVILLE — Rough times due to lower-paying competition both home and abroad is threatening the local frozen-food processing industry and is what led to the strike at the two largest plants here.

The strike, which has put 1,727 workers at Watsonville Canning and Frozen Food Co. and Richard Shaw Frozen Foods out of work, is now in its 18th day. No end is in sight.

Watsonville Canning and Shaw's are managing to operate at 50-percent capacity with the aid of strike-breaking employees, supervisors and "substitute" workers.

What prompted the strike was an across-the-board wage and benefit reduction proposed by management of the two plants. In essence, wages would have dropped from 33 to 56 percent and medical benefits would effectively have been cut in total.

Smiley Verduzco, president of Watsonville Canning, defended the proposed cuts, telling The Sentinel his company would be "threatened" if it continued operations as before.

"The cost of our doing business is no longer competitive and adjustments have got to be made in order to maintain our marketplace," Verduzco said. "We simply cannot continue to lose money."

According to processing plant industry sources, competition — particularly from Texas — has placed a damper on local companies. Just five years ago, for example, there were no frozen food-processing plants in Texas. Today, there are six that are producing up to one-third of the national consumption of many California-grown produce like broccoli, cauliflower, spinach, beans and brussels sprouts.

Wages in Texas, meanwhile, are \$3.35 an hour for assembly line workers with no benefits. This is in comparison to \$6.66 an hour locally, and another 42 percent for benefits. Additionally, land costs are 40 to 90 percent less expensive there. Fuel, power and water is also cheaper.

There is other competition at home too — from companies in Tennessee, New York, Delaware, Maryland and Michigan, to name a few.

Labor-cost differences are even more drastic when comparing processing plants in Mexico and Central America. Wages there range from \$2 to \$5 a day with no benefits.

"We can't control prices paid in Mexico and Texas," said Norman Kingsley, controller at Richard Shaw's.

Verduzco added that the Teamsters Union, which represents striking workers, "must come to grips with the economic reality of the situation."

According to statistics provided by Teamsters Union Local 912, the proposed cuts from the two plant include:

- Assembly line workers, which represents the majority, would be cut from \$6.66 an hour to \$4.25; fork-lift drivers from \$7.75 an hour to \$5.75; and mechanics from \$11 an hour to \$7.

- Medical benefits would effectively be cut in total since eligibility requirements call for 2,000 hours or 50 weeks per year. Most of the work in the processing plants is seasonal, thus most employees would not qualify.

- Guaranteed hours would be reduced from eight hours a day to two.

- Grievance procedures would be much more difficult since all disputes must go to formal arbitration. For example, a \$20 error in a paycheck must go to arbitration — a costly effort for the union, effectively eliminating most grievances by workers.

- Firing employees — even long-time ones — would be made easier by invoking production quotas, which can be used as a basis for firing.

Strikers vow to hold out

"There's no way I can work for \$4.25 an hour. If I want to make that, I'll go to McDonald's"

— Margarita Martinez, striking worker from Watsonville Canning and Frozen Food Co.

By KEITH MURAOKA
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WATSONVILLE — Day-to-day living is getting tougher and tougher for many of the 1,727 striking workers now entering their 18th day of no paydays.

But striking workers from Watsonville Canning and Frozen Food Co. and Richard Shaw Frozen Foods remain adamant. They are prepared to hold out against the proposed wage and benefit cuts by management for as long as it takes.

Those strikers questioned by The Sentinel at Teamsters Union Local 912 headquarters on West Lake Avenue, just across the street from Watsonville Canning, said they would not be willing to take any cut in pay.

Richard King, secretary-treasurer of the union, said that workers don't want a raise, but don't want a cut in pay either.

Jose Lopez, a striking worker from Watsonville Canning and an unofficial spokesman for many of

the strikers, said, "Company owners are comparing wages with Texas and Mexico, saying they cannot afford to pay us because of that competition. Yet, the standard of living here is very different. You can rent a whole house in Texas for \$1,000. Here in Watsonville, that'll get you an apartment."

Strikers maintained the strike is bringing them together in their time of need rather than pulling them apart as they feel plant management had hoped.

"I'm very proud of everybody here," said Margarita Martinez, a 15-year veteran of Watsonville Canning. "We're going to hang in there

no matter what."

Martinez, whose husband also worked at the plant, said there was "no way I could live on \$4.25 an hour." She had been making \$9.48 an hour.

Along with her husband and two children, there is an \$800-a-month house payment hanging over their heads. They've already had to sell one of their cars. Yet, her will remains strong.

At least Martinez still has a house to go home to, however.

Mary Balderes, whose husband is also unemployed, said they have already been forced to move from their home of nine years. They are now living in her sister's garage.

Balderes has worked at the plant for 12½ years. She was making \$7.14 an hour, but the proposed cuts would have reduced that to \$4.25. "How are we going to pay our rent on \$4.25 an hour?" she asked.

"Many of the strikers have kids in high school who may have to quit and go to work," said Balderes. "Others have husbands who are farmworkers that don't work much during the winter."

"I don't know what everyone's going to do," she added. "All we can do is hope our employer has a heart."

Carlos Hernandez, speaking through an interpreter, said his wife also worked at the plant. They have two children. "So far, we owe two payments on the car and this month's rent," he said. "The telephone and water was already shut off, but I managed to get a loan to get the water turned back on."

He said that he couldn't pay his bills on \$4.25 an hour. "I couldn't live on it," he added. "If they would lower our rent, the phone bill and food, then maybe OK. But, how's that going to happen?"

Like many of the others, Hernandez said he doesn't want to go on welfare and would rather work. Yet, he has been forced to apply for public aid.

Added Martinez, "I don't care if I lose my house or not. The important thing is sticking together. We're not losers, we're going to win."