

After 9 months, both sides in strike adamant

By LANE WALLACE
STAFF WRITER

The leader of the 1,000 workers striking Watsonville Canning and Frozen Food Co. blames company officials for the strike, saying they don't want to negotiate.

A top Watsonville Canning official puts the blame for the strike on that same union leader, saying he has lied time and again to the striking workers.

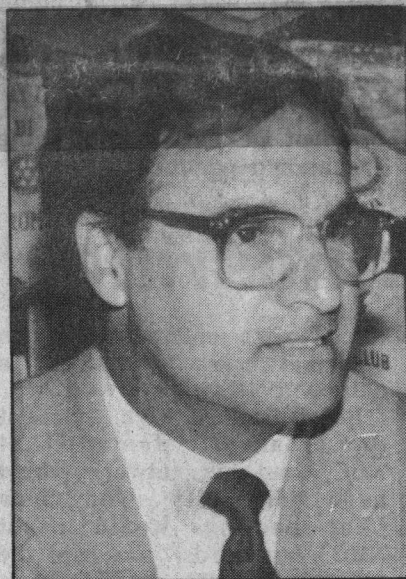
First, the union view: "They've never tried to reach an agreement," contends Sergio Lopez, secretary-treasurer of Teamsters Local 912, which represents the workers.

The company's goal, he said, is to get rid of the union.

And the company's: "I think it's unfortunate that Sergio Lopez continues to lie to our former employees," says Smiley Verduzco, the No. 2 man in the company's corporate structure. "He took them out on strike based on a mountain of lies and he continues to do that today."

Those statements were part of strikingly different pictures the two men painted of the strike, now in its tenth month.

Verduzco said that before the strike, Lopez was telling the workers that Watsonville Canning could afford to pay higher wages, when he and other union

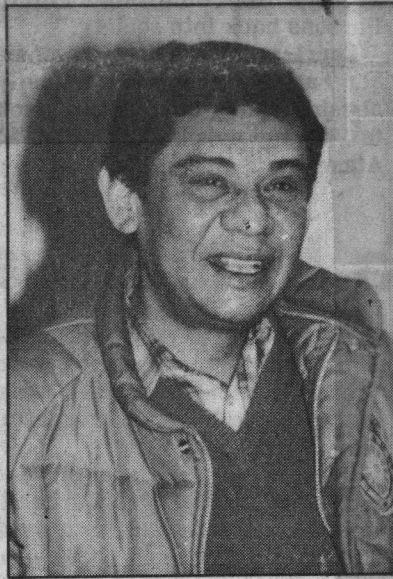


SMILEY VERDUZCO
"I think it's unfortunate"

officials knew cuts were needed.

"Serge and Dick King (Lopez' predecessor) made the comment (before the strike) that people have got to starve before they'll believe it," Verduzco said. "My God, why would you do that to people? Why would Sergio tell them I was lying?" asked Verduzco, executive vice president of Conco, the holding company for Watsonville Canning.

Verduzco said union officials had seen the Watsonville Canning books in early 1985 and



SERGIO LOPEZ
"They've never tried..."

should have acknowledged the company's contention that it needed lower wages to remain economically viable.

The frozen-food industry in California has been stung in recent years by increased competition from firms in other states and countries, where wages are lower.

"It didn't happen overnight," Verduzco said. "It doesn't take a genius to see what is happening in Texas and Mexico" where frozen-food firms are paying far lower wages than California companies are paying. Line workers in Texas

make \$3.36 an hour, Verduzco said.

Watsonville Canning line workers were making \$6.66 before the strike; non-union workers now make \$5.05 an hour.

Verduzco said "union officials stepped on their own toes by saying the industry did not need wage reductions."

"Sergio told them (the workers) he could get increased wages. He encouraged them to go on strike."

One-year wage freezes (\$7.06 an hour) were negotiated at some of Watsonville Canning's major competitors last year, including Crosetti Frozen Foods in Watsonville, and at Oxnard Frozen Foods and Patterson Frozen Foods.

Green Giant, in Watsonville, is also paying \$7.06.

"Why would Sergio let Pillsbury (owner of Green Giant) freeze wages when the company is making significant profits?" Verduzco said. "They bring the product here from Mexico and reprocess it."

This year, reduced-wage contracts have been approved at Richard A. Shaw Co. (\$5.85) and at three Watsonville fruit-processors — New West Foods (\$5.90), Del Mar Foods (\$5.90) and Naturipe Berry Growers (\$6.) The Shaw settlement came after a five-month strike that began at the same time as the Watsonville Canning strike.

"Nine months later, they (union officials) are saying what we've been saying all along, (that cuts are needed)" Verduzco said.

"I have never disputed that the frozen-food plants are having financial trouble," said Lopez in response.

He believes the striking workers would probably approve a cut from their old wage, if it's proven to them that a cut is an economic necessity for the company.

Lopez said the company's current demand of a \$500,000 confidentiality bond if the books are reviewed is something no accountant would touch.

Verduzco said there was an offer for union officials to look at the books prior to the strike. "There were no strings (such as the bond) attached. They refused to look at them."

Lopez said he has never seen the books.

"I'm willing to (have accountants) look at the books. I want to deal from the facts. That's what I've been saying since I took office on Jan. 1," said Lopez, who was a business agent for the union before becoming secretary-treasurer, the local union's top position.

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"I'm committed to saving the frozen-food industry in California," Lopez said. "I don't want it to go the way of the auto or the textile or the shoe industry."

He said his willingness to negotiate for reduced wages is an indication of that commitment.

Lopez has repeatedly said Watsonville Canning doesn't want a contract, noting that there have been no formal negotiations since Dec. 19. He says the company's meeting with union officials from Seattle earlier this year was an effort "to create a paper trail" of dealings with the union.

Verduzco said Mort Console, Watsonville Canning owner, "met this Monday with high officials of Joint Council 7 (of the union's San Francisco office) in an effort to negotiate." Another session is set for next week, he said. (The meetings are not formal negotiations and Lopez downplayed their significance).

"To date we have never received a proposal from the union," Verduzco said.

When a three-year contract was approved by Watsonville Canning workers in 1982, the workers accepted a \$6.66 hourly wage for line workers, 40 cents less than the industry standard in Watsonville. That wage was accepted with the understanding that workers would get more hours than people at other plants.

Lopez said Watsonville Can-

ning didn't live up to that understanding and lost credibility with the workers.

"They didn't buy his (Verduzco's) story this time," he said.

Verduzco said the company did meet its promise, saying, "We run more product and more hours than any other frozen-vegetable plant" in the state.

Verduzco noted that while the line workers were paid less than those in other plants, people in the higher-skilled positions made more than their counterparts. He said all other

Verduzco said there's about 775 working now and there have been more at times. "We peaked up somewhere in the neighborhood of 1,500 with double shifts," he said.

He accused Lopez of "playing a numbers game." The numbers themselves, Verduzco said, "are irrelevant." He said that other than a different work force, it's been business as usual.

"We're still serving our customers."

Lopez said only about a dozen people who were working at the plant when the strike began are

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plants except Watsonville Canning had a beginner's wage of \$6.06 an hour.

"When you look at the economic effect, it was essentially the same," Verduzco said.

Lopez acknowledges the higher pay for the skilled positions, but contends the higher pay for skilled workers didn't offset the the lower wage for line workers.

Lopez said Watsonville Canning has been hurt badly by the strike. "They have about 300 working. That's a third of the people they need."

still working there. Verduzco said that number was closer to 50, "and we'd have several hundred more working if the union hadn't threatened them."

Lopez said the company recently laid off 10 middle-management people, adding, "They were the heart of the operation."

Verduzco confirmed there had been some layoffs, but said, "that's normal. It's nothing new." The layoffs should last four to six weeks, he said.

Lopez said company owner Console "has been ill-advised

by Smiley Verduzco and others."

Said Verduzco: "Mort is an intelligent businessman. He runs this company. He knows what's going on."

Lopez said Watsonville Canning has not been acting like a company that wants to settle.

"The company had Leon Ellis (union president) and myself arrested for trespassing" when they went to the plant one day last year before the strike.

The company also laid off a number of workers just before the strike hit, Lopez said.

Ellis said the company's last contract offer (which strikers rejected) called for \$5.05 an hour and had 48 "take-aways," which he said was designed "to infuriate the people" and not to get an agreement.

If a contract can't be agreed on, "We're going to run their ass out of business," Ellis said.

"We'll do everything we can, through economic sanctions, to not allow them to do business," Lopez added.

Of Ellis' remark, Verduzco said, "What an irresponsible statement for a union official to make."

"Serge continues to make inflammatory statements to keep the strike going. I don't think they want (to settle). I think that's the intent of Serge and Leon."

Lopez and Ellis claim Watsonville Canning is trying to bust the union, but say they would prefer to reach a settlement.

"We'd like to have labor peace and resume our normal lives," said Lopez, noting that before the strike, "relations had been relatively good."

Verduzco points to Console's meetings with the Teamsters Joint Council as an indication that the company is willing to negotiate.

"The essential thing is that we are continuing to provide our customers with product. We have not lied in the past and we are not lying now."

Verduzco and Lopez each say they can't figure out the other side's stance.

"I've stopped trying to second guess Watsonville Canning," Lopez said.

Verduzco said he doesn't know why Lopez and Ellis would want to continue the strike. "I don't know. You'd have to ask them."