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WATSONVILLE: A FIGHT THAT LABOR CAN WIN

by William Segal

The 14-month strike by 1,000 members of Teamsters Local 912 against Watsonville Canning and Frozen Foods appears to have seriously weakened the company. The company has been operating with strikebreakers since the beginning of the strike, but it was recently forced to close for 11 days at the peak of the fall harvest. The plant reopened on October 6, with the help of more than \$1 million in new loans from Wells Fargo Bank, but it is uncertain whether Watsonville Canning will ever repay an estimated \$25-30 million in debts to growers, cold storage warehouses, and the bank.

The strike began in September 1985, when Watsonville Canning cut wages from \$6.66 to \$4.75 an hour, three months after the previous contract expired. The company says it cannot pay more than \$5.05 an hour, but refuses to open its books to the Teamsters unless the union posts a \$500,000 bond. The company presently refuses to bargain. "You probably can't support a family on \$4.75 an hour," admits Watsonville Canning vice president Smiley Verduzco, "that that's not the point."

Other cannery owners have taken advantage of the Watsonville strike to cut wages in new contracts signed earlier this year. Most frozen food packers have cut base pay from \$7.06 to around \$5.85 an hour, and many new agreements include "me too" clauses that would guarantee automatic contract reopeners if Watsonville Canning settles for less than this new industry standard.

Wells Fargo Role -- The October 6 reopening of the plant has focused renewed attention on the role of Wells Fargo in this strike. It has recently been revealed that Wells Fargo extended an \$18 million line of credit to Watsonville Canning in July 1985, five weeks before the strike began. The entire amount has been used by the company to meet its expenses during the strike.

Recent maneuvering has placed Wells Fargo first in line to claim all of Watsonville Canning's assets should the company declare bankruptcy. Under a loan agreement signed September 30, all equipment and property owned by Watsonville Canning were pledged as collateral to the bank in return for a new \$1 million loan. In addition, owner Mort Console and his mother Kathryn were forced to deed 13 parcels of real estate to the bank as collateral for outstanding loans. All equipment and property owned by the Consoles has now been deeded to the bank, which means that growers, cold storage warehouses, and striking workers who are owed \$500,000 in vacation pay could be left with nothing in the event of bankruptcy.

Informed sources expect Watsonville Canning to go under by the end of the growing season in February, at the latest. Wells Fargo's game plan seems to involve turning over the plant to a grower-owned cooperative at that time, ensuring uninterrupted repayment of bank loans by making the growers liable for repayment. While the growers would prefer not to be saddled with a debt-ridden plant in the middle of a costly strike, Wells Fargo's actions may give them little choice. If the plant were to close permanently, Wells Fargo would have first claim to all assets, leaving the growers with over \$10 million in unpaid bills that have been racked up by Watsonville Canning during the strike. Moreover, many growers would be unable to find other buyers for their produce if the plant were to close. Already, Wells Fargo is promoting the co-op strategy by urging growers to accept ownership shares in the struck plant as repayment for Watsonville Canning's debts.

Local 912 Secretary-Treasurer Sergio Lopez warned growers to stay out of the strike. "If the growers decide to cooperate with Watsonville Canning in trying to destroy the union, we have received the backing of the International to extend the strike and we are going to

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approach other unions, including the United Farm Workers," he said. "We're going to go out and try to organize the fieldworkers so we can have more leverage."

Strike Impact -- Regardless of what the future brings, the 11-day closing is evidence that the workers' determination, the growing support for their cause, and the union's economic sanctions program have adversely affected Watsonville Canning's operations despite continued assurances by company officials that the company was withstanding the strike without damage.

An outstanding feature of the Watsonville strike has been the initiative and involvement of the rank and file. The strikers have established their own organization within the union by electing representatives to a strikers' committee. Weekly meetings in the union hall have recently drawn upwards of 50-60 strikers as well as supporters from other canneries. The strikers themselves administer and staff the weekly distribution of the \$55 strike benefit checks from the Teamsters International.

An NLRB certification election on August 13, called by the union, was a test of the strikers' strength. (The union had been recognized years earlier without going through a representation election.) Workers charge that as the election approached, Watsonville Canning began hiring strikebreakers for four-hour shifts, instead of the standard eight hours, in the hope that more ballots would be cast against the union. Strikers conducted an extensive campaign to get out the vote, even contacting strikers who had moved out of the area, and the union bought ads in local newspapers and air time on radio stations to spread the word. Some of the strikers traveled from as far away as Mexico in order to vote.

The election was a major victory for the strikers. 919 strikers voted compared to just 844 votes cast by strikebreakers. Many ballots were contested and it may be years before the NLRB issues a ruling on the exact vote for the union. But Watsonville Canning will not be able to push for a decertification election for at least another year, buying time for the strikers and heightening pressure on the company.

Watsonville Canning representatives did attend a bargaining session on August 19, but have refused to negotiate since then. On September 7, student strike supporters picketed the home of Kathryn Console, a member of the Watsonville Canning Board of Directors and owner of California Freezing and Cold Storage. An incensed Mort Console immediately called California Governor George Deukmejian and University of California President David Gardner in an unsuccessful attempt to secure the cooperation of university officials in the arrest and prosecution of the students.

Mort Console's self-confidence appears to have been rattled as well by an "economic sanctions" campaign launched by the Teamsters at their 23rd International Convention in Las Vegas, on the urging of Joint Council 7 president Chuck Mack and Local 912 Secretary-Treasurer Sergio Lopez. The Teamsters contacted suppliers, distributors and banks doing business with Watsonville Canning in an effort to bring economic pressure on the company.

Que Viva La Huelga! -- The Watsonville strikers are determined to stick together and continue fighting until they win. The strike has changed some of them forever. "I used to feel people like Mort Console were superior to me," said striker Socorro Murillo. "I thought they were gods. But not any more. I'll never be sorry I went out on strike."

Soon after the plant closing, 60 strikers came together for the weekly Strikers Committee meeting in the union hall, uniting on demands including unemployment benefits and job retraining funds for the strikers. The strikers have learned that other cannery owners have already compiled computerized blacklists so that they can screen out strike leaders, and are demanding the destruction of the blacklists.

The Watsonville strikers continue to fight in the finest tradition of the labor movement. Because of employer discrimination against strikers, however, few have been able to get jobs. The scrape by on \$55 a week strike benefits from the Teamsters International, supplemented by food donations. Recently, more strikers have been evicted from their homes, and some families are living in their cars.

The importance of financial support for the strike at this time cannot be underestimated. The strike against Watsonville Canning, the largest frozen food packer in the country, is presently the longest current major collective bargaining dispute in the country. A defeat of Mort Console's plan to operate his plant with scabs will serve as a warning and a lesson to employers everywhere. Better still, if the strikers are rehired under a union contract by new owners, their victory will be victory for unions everywhere.

-- William Segal

The union is collecting funds to aid the strikers. Checks may be sent to Teamsters Local 912, at 163 West Lake Avenue, Watsonville CA 95076.

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