

Firm nearly lost its hide

Tannery wins new markets

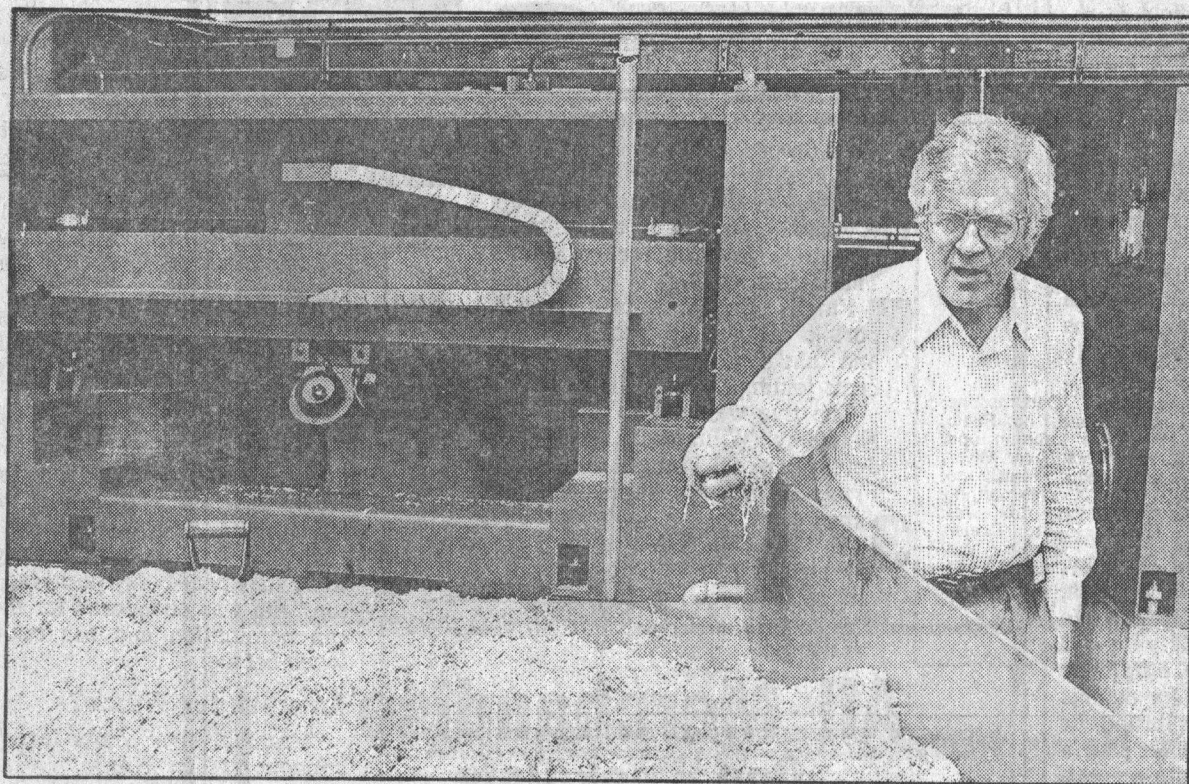
By Lee Quarnstrom
Mercury News Staff Writer

When Norm Lezin went to work at his father-in-law's leather-tanning plant in Santa Cruz in 1948, he jokes, "I thought he said it was a cannery. I was going to work for the summer, then go away to graduate school."

Within a few years, Lezin had become president of Salz Leathers, which not only is California's oldest tannery, he says, but could be the state's oldest continuously operating manufacturing operation. And with 42 years' experience working with cowhides, Lezin, 66, says he now knows the difference between canning and tanning.

Tanning was big business in early Santa Cruz.

"There has been a tannery on this site since 1855," said Lezin, a former Santa Cruz mayor. "In 1861, it



Salz President Norm Lezin sifts through shreds cleaned from hides

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Santa Cruz tannery sells to Pacific Rim

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was operated by the Kron family, from Germany. My father-in-law, Anthony Salz, purchased it in 1917."

Cowhide, Lezin pointed out, was one of California's early cash products, if not the only one. During the Spanish and Mexican eras, cattle were slaughtered near the coast and their hides shipped to the East Coast on sailing ships. The meat was left to rot in the California sun. Hides, worth two bucks apiece, were known as "California bank notes."

"Right here, north of Santa Cruz, the Indians would run cattle over the cliffs," Lezin said. "The women would stick 'em, and then they'd peel the hides off and sell them."

In the mid-19th century, he said, the Santa Cruz area had seven tanneries, and San Francisco had 45. Santa Cruz was an ideal location, with an abundance of cattle, tan oaks and water. But every small town had a tannery, Lezin said.

"In order to have civilization, you had to have leather," he says. "It was needed for transportation, for farming."

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Actually, Salz doesn't tan hides any more. The firm "re-tans" them and finishes them to meet exacting requirements of customers like Red Wing boots, Coach handbags, Timberland and Florsheim shoes and Birkenstock sandals.

"We're in the art-form end of the business here in Santa Cruz," Lezin said.

His firm handles about 7,000 hides a week — 14,000 "sides" of leather, all from the Iowa Beef slaughterhouse in Garden City, Kan.

The smelly chemical tanning process — it's been decades since "chrome-tanning" replaced processing with tan oak — is now done in Kansas, "with our formulas," Lezin noted.

What arrives at Salz Leathers are hides known as "wet blues," named for their azure tint after the chrome-tanning process has removed hair and fat and cured the skin.

What leaves Salz is a seemingly infinite variety of fine leathers that have been, depending on the order, split, shaved, cut, softened, waxed, pounded, stretched, dried, buffed, oiled, dyed, rubbed, stained and burnished.

Some of the plant's 170 employees "re-tan" the wet blues in huge drums, pouring in what Lezin calls

a "witches' brew" of chemicals to achieve the desired color and characteristics.

The stretching is done, Lezin said, not only to improve quality but to boost profits.

"We buy by the pound but we sell by the square foot," he explained.

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Speaking of profits, Salz Leathers found itself losing money a few years back. But, Lezin said, the firm did some belt-tightening and looked westward for new markets around the Pacific Rim.

"This is a rust belt, labor-intensive type of industry that took it in the chops in recent years. Our main market was shoes, and now 80 percent of the shoes in this country are imported from countries with cheap labor," Lezin said. "A lot of the U.S. tanning capacity disappeared."

But, he said, Salz's location — on 12 acres at the edge of the San

Tannery tours

Groups of eight or more can make appointments to tour Salz Leathers from 10 a.m. to 3 p.m. weekdays. To schedule a tour, call the Salz retail store, which carries products made by the company and its customers, at (408) 423-1480 at least a week in advance.

Lorenzo River at the north edge of Santa Cruz — helped save the company.

"The soaring value of real estate kept the banks at bay," he said. "The lenders could see the land was good collateral."

"We hung in there and turned the thing around. This was about four years ago."

A big help in Salz's recovery was the opening of markets in the Far East. Here, again, location has been of paramount importance to Salz.

"We're the closest American tannery to the Orient by almost 2,000 miles," he said. "Five years ago, we were doing nothing in the Far East. Now it's 20 to 25 percent of our business."

Lezin has even found a market for hides that don't meet company standards: He sells them to Korean firms that turn them into white leather for athletic shoes.

Salz has also found a way to crack the tough Japanese market.

"It was hell to try to sell leather to Japan," Lezin said, citing that country's 60 percent duty on hides. "So we'd sell the hides to companies in Korea, and they'd make products to sell in Japan."

"But now in Japan, they're forcing workers to take more leisure time, to take two days off a week, for instance. And those businessmen don't want to wear their blue suits and their skinny little belts on their days off. They want the Western look, hand-sewn moccasins and wide leather belts. Who makes the leather for those items? We do."

"And it turns out that we can ship belt blanks — just plain strips of leather — to Japan and pay only 12 percent duty. So we're doing a lot of business there these days."

Lezin said Salz does about \$35 million in sales annually, much of that because of markets in the Far East.

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Strolling through his tannery, Lezin greets workers in Spanish, Portuguese and Italian. He talks to Jim Page as the 22-year-old fourth-generation Salz employee sorts wet blues, looking for defects such as scratches, warts, brands or cuts. He watches Bill Sailor pour a mixture of chemicals into a rotating drum, trying to make "an elegant white leather" for Coach handbags, "our biggest customer — we do 22 percent of our business with Coach."

He talks with Jesus Chavez, who is testing hides for moisture content and who has been with Salz for more than 20 years. He talks marketing with his son Jeremy, 39, executive vice president of Salz.

"We've turned this business around," Lezin says proudly. "We have a product that is as close to perfect as you can get. We have a fine, talented group of employees. And we're on the edge of prosperity."