

Tanneries

## Closure averted

8/26/82  
Sentinel

# Salz Leathers workers agree to pay cut

By KEITH MURAOKA

Sentinel Staff Writer

In an unprecedented management move, employees at Salz Leathers Wednesday night accepted a 30-cent-per-hour cut in pay in order to save the state's oldest and largest tannery.

Norman Lezin, the firm's president, told The Sentinel this morning that the three-year pay reduction agreement could very well save the tannery. Without it, there was a "very good possibility" the plant would have been forced to close, he added.

Salz, in business for 120 years and currently employing 220 workers, has been beset with stiff foreign competition and saddled with the highest wages in the industry. It has lost nearly three-quarters of a million dollars this year alone, said Lezin.

According to Lezin, it is still the highest salary in the U.S. tanning industry. The average is \$7.50 per hour.

"It (the wage cut) is not as much as we wanted, but it at least points us in the right direction," explained Levin. "I'm very pleased. I think our employees compared the cut to the worst alternative — no jobs at all if we close — and knew we were in a tough spot."

Attempts to contact a union spokesman today were unsuccessful.

The wage and benefit package includes guaranteed cash bonuses of about \$1,300 a year per person, amounting to \$320,000 over the three-year period. A "productivity sharing bonus system" was also instigated in which direct payouts would be received if production is higher than a base standard.

About one-third of them are related to one another — many of them representing second and third generations.

When the three-quarter million dollars worth of red ink in the company was first reported, the union withdrew its original request for a 95-cent per hour hike in wages and fringe benefits. The bargaining unit instead agreed to a one-year wage freeze and then to a 30-cent-per-hour cut to help the company pull through.

Salz, however, originally asked for a \$1.89-per-hour cut in pay and benefits that would have raised nearly \$900,000 and instantly put the company back on its feet.

The approved 57-cent-per-hour cut in wage and fringe benefits was then offered.

High wages compared with the rest of the tanning industry is just part of Salz' problem, according to Lezin.

Other countries, such as Japan, impose import tariffs of 20 percent on U.S. leather, ruling out major foreign markets, he said.

The same countries can compete with American tanneries to buy American hides, which they turn into products like shoes and ship back into the U.S. market, where they sell for less than comparable American-made products.

Pot bust  
in Soquel

**HIGH VOLTAGE**

—Mostly For Men—