

## SC Meat Plant Closing

By TOM HONIG

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Faced with a bleak economic future, the 84-year-old Walti-Schilling Meat Packing Company of Santa Cruz is going out of business.

Larry Wolfsen, president and general manager of the company, said that the board of directors "has decided to cease operations in the meat business. We are shooting for July 1 as a closing date."

He explained that Walti-Schilling has been barraged with cost increases from all sides. Rising costs to cattlemen has shortened the supply of cattle to slaughterhouses, he said, and the bleak economic picture has been "aggravated by recent labor disputes."

Some 120 workers will lose their jobs. However, a spokesman for the Butchers Union Local 506 in San Jose said that nearly all the workers his union represents have found jobs in San Jose. "Unemployment rates in our business are currently less than one per cent," said the spokesman, Anthony Bozzo.

The 1976 payroll at the plant was \$1.6 million.

Wolfsen said that meat packing companies in California face "extreme anti-competitive positions" compared to slaughterhouses in other states. For one thing, cattlemen in California face higher feed costs and must pay higher taxes than do their cohorts in other states. That means that California slaughterhouses must pay more for cattle than do meat packers outside the state.

Added to that problem is big labor costs, he said. Meat packers in California receive about \$15 to \$16 an hour, including fringe benefits, compared to salaries of \$4 to \$5 an hour in other states.

Bozzo said that the butchers union is battling Iowa beef packers — who kill about 10 per cent of all cattle in the United States — and who work for far less money than to union workers elsewhere. "It's a massive struggle," he said, to overcome the disparity.

Founded in 1893, Walti-Schilling has been engaged in retail and wholesale of meat prod-

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ucts. In the pre-1900 years, beef was delivered by horse-drawn wagons. The meat was kept cool with ice and covered by white canvasses.

By 1928, Walti-Schilling had five refrigerated meat trucks — the first refrigerated trucks in Northern California. By the early 1940s, Walti-Schilling had concentrated on wholesale meat slaughtering and not the retail side of the business.

The Walti-Schilling Corporation will not dissolve, Wolfsen said; it will exist as a shell, and "just not be operating."

The company is still involved in farming and livestock, Wolfsen said.

REFERENCE

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