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Colshire boss blames quake and recession for plant's closure

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The president of Colshire of California's parent company, which closed its Watsonville factory last week, said yesterday that the earthquake, the recession and the company's "cost structure" combined to force it out of Watsonville.

John Berkeley, president of Michael Berkowitz Co. in Weston, Conn., said there would be a "significant" expansion at the company's Uniontown, Pa., factory as a result of the closure here, although he didn't know how many new jobs would be created there.

The Uniontown factory makes disposable surgical products, but Berkeley said Colshire would continue to make clothing as well.

Berkeley said the October 1989 earthquake caused extensive damage to Colshire's Watsonville building. The company lost money and customers because it had to shut down while the repairs were made, he said. It also lost some employees, who moved out of the area, he said.

A second factor in the closure is the nationwide recession, he said, which has hit the apparel industry particularly hard.

"When people check their pocketbooks, the last thing they're going to buy is new clothes," he said. "They'll just stick with what they have."

The final blow was the workers' vote to not accept a 10 percent pay cut, he said.

The company was unable to

compete with non-union shops in Los Angeles and elsewhere, he said. Workers earned minimum wage plus piecework, and Berkeley said they had medical benefits and a pension plan.

"There were three separate votes, and all that was needed was a simple majority," he said. "They didn't give us any relief at all."

Berkeley said that in his view, "It was entirely in their hands, and it was unfortunate that there was not enough spirit of compromise."

For the 50 people who have lost their jobs here, he said, there will be no severance package.

The union representing the workers, Local 792 of the Amalgamated Clothing and Textile Workers Union, said the seamstresses had agreed to forestall negotiated wage increases in the past and the employer had a recent history of asking for mid-contract concessions. As their votes showed resoundingly, they didn't feel they could give up anything else, the union said.

The union traced part of the current situation to management's decision in the mid-1980s to change from making its own label to becoming a "contract" shop, meaning it had to be able to compete to take in a wide range of other labels and products and turn them out in a short time.

The laid-off workers are mostly women, many of whom have worked at Colshire for years. Many of them don't speak English or have high school diplomas, several said last week.