

KEYWORDS

Close community. Union achievements. Good jobs. Value-added plants moving out of Alberta. Environmental effects left. Efforts to prevent closing.

Don MacNeil

DM: My name is Don MacNeil and the date is September 25th, 2007.

Q: And I'm Alvin Finkel, the interviewer. We're going to start with how you came to be working in the Celanese plant in the first place.

DM: It's kind of an interesting story. My father-in-law worked there for many years. In the mid '80s there was a bit of a recession for trades work in Alberta. I was actually contemplating moving to Ontario to follow the work. My father-in-law said, "Why don't you go out there and put in an application?" I did, and they said maybe they could give me 3 weeks' work. It ended up I was there 15 years, so that's how I came to be at Celanese.

Q: What jobs were you doing at Celanese?

DM: I was a millwright in several areas. I started in the methanol unit, and then I went to the cellulose acetate unit, and then I was in the central shop for the finish of my career there.

Q: When you started it was still owned by Celanese?

DM: That's correct; it was Celanese America. It was sort of the heyday. When I got hired on there, there were approximately 600 hourly people, almost 900 in total. It was booming; it was prospering; it was a great place to work at the time.

Q: Tell me about what it was like before the Herks took over?

DM: I found it one of the friendliest places to work. We had a huge maintenance department -- almost 200 people were employed in the maintenance department. It was a very close-knit group. They had a number of social functions: they had baseball tournaments, they had children's picnics, they had Christmas parties, they had curling leagues, they had pretty well the gamut of social activities through their social club. There was a lot of interaction off the job, and it was like a big family at that time.

Q: Was there a change that you detected when Herks took over?

DM: Yes, it went through several machinations when I was there in that 15 years. But when Herks took over, it wasn't so much the German influence, it was the American influence. Herks headquarters for North America were in Texas, for our management philosophy came out of Texas, not Germany. It was a lot more product- and productivity-oriented. We used to call the programs that came out of the States the flavor of the month programs. They all had different names, all these productivity schemes that they were trying to pull off. Then it started to be downsizing. I was involved as president in 3 different sets of downsizing there. They were all pretty traumatic experiences, but there were some good experiences too. For example, when I was president there, they came to the union and said that they were going to downsize 19 maintenance people, but if the

entire maintenance department could see their way clear to reducing hours by 2 hours a week, that we would save those 19 jobs. So we went through a process of having breakfast meetings offsite. We took our time; we had 3 weeks of meetings. Also as a sidebar of that, with the 2-hour reduction in hours, we also went to a 4-day workweek, so we ended up working four 9-1/2 hour shifts. It was very difficult. People thought there'd be so much money taken out of their pocket, this would really affect them negatively. Well I'll tell you what, about 6 months after we implemented this, the letter of understanding, interim agreement, was passed. It wasn't a huge majority, but it was passed. About 6 or 8 months later, they weren't quite happy with the system as it was; They wanted to go back to a 5-day workweek. We surveyed the members, and 98% of them never wanted to go back to a 40-hour week or a 5-day workweek. The amount of money that was out of their pocket was pennies compared to the increase in lifestyle and so on. Those who were greedy seemed to get the overtime on the Fridays anyway, so everybody was very happy with that. Another time they were downsizing and I convinced them that what we should do is try to work from the top of the seniority list down, and offer voluntary packages. Quite frankly, the company was very reasonable and generous in that offer. We worked down the list, and I can tell you some of those packages were well over \$100,000. These were people that were already maxed out and ready to go on pension. I can remember one lab tech, Willa Gorman, I think you might have interviewed her, actually picked me up and hugged me about the severance package that we were able to negotiate. She walked away very happy, and I was happy to be involved with that process. We managed to get through those 2 downsizings, and the last one was actually in 2000 when I got elected to be administrative vice-president. I was out of the plant, and there was a downsizing and my successor was looking after it. They phoned me and asked me if I would take the downsizing. I said, sure, give the job to another person. If I can save a job, I'd be more than happy to do that.

Winston had asked if I could tell some of the stories. We've had a number of really fun and momentous occasions in the 15 years I was there. I can remember one example was, I think it was 1994, whenever the CEP ambulance tour was going across the country. I had asked permission of the plant manager if I could bring the ambulance onto the site. That was my first mistake. He said, "Oh no, of course not." This was when the Germans were around. "We're having a bunch of the Germans in on the top floor, you can't do that." I had an ability to get time off when I wanted to when I was the president there, so I booked a couple of hours off and started talking this over with Dan Comrie. We said, "Well you know what, what's he going to do if we just do it anyway?" So that's what we did. We came in there right underneath the administration office, with all the Germans upstairs there, lights flashing and siren going. A Scottish guy, Ian Brownley, was the plant manager. He gave me a little bit of heck, but it wasn't really. I never got any formal discipline or anything for it. It was quite a feeling when all the guys walked off work at 4:30 to have the ambulance there, and knowing that he didn't want it there. That was a lot of fun. We had lots of experiences like that. When someone was terminated and we thought it was unjust, we'd have these meetings on the lawn, and we'd get up on the picnic tables and talk about it. Maybe our lunch break would be extended a little bit. But the message would usually get across. We had a really decent relationship with the human resources department during those times. It changed significantly in the mid- to late '90s. That's when it really started to get pretty tough there. But I had a great

relationship with Ian Brownley. He was quite a character. Some of the grievance meetings that I had with him were momentous. We had some good ones. ...

That's one thing about the plant manager at that time. He was approachable to that kind of stuff. I argued a scope grievance, and most companies would've taken it to arbitration just because the law was not crystal clear on the criteria that would allow something to be swept into the scope of the union. But I did some research and read some law books, and I presented the case. He actually gave us the win on the plant manager's level instead of going to arbitration. So he was a decent guy to negotiate with.

Q: Is he somebody who had worked his way up at the firm?

DM: Dr. Brownley, he was a chemical engineer. I think he came from an English chemical company called ICI, and then was brought over. No, I don't think he really worked up from the shop floor.

Q: One of the things I'd heard is that in the earlier period there were more people who worked their way up.

DM: Sure. All of the managers that were around when I was there – and I can remember Ray Revere and Al Fucher and Romeo Paquette – they all worked their way up from the ground up. That's another thing too that's very interesting to note, that in the '90s the trend started to change. Managers more and more were hired as engineers who hadn't worked their way up. It's a real difficult thing to try and deal with those guys. They don't have the people skills, nor do they know the process enough, other than a slide rule, to really relate to the workers or the process. So it's a bit of a challenge, and you see that everywhere nowadays, with engineers rather than people working through from the ground up.

Q: So you feel that in the earlier period when you started there, workers had more input into what was going on?

DM: Sure. In collective bargaining, we used to not always be able to resolve the issues, but at least on 4 different occasions I can remember where we'd say, okay but let's have continuing dialogue, and we'd have ongoing meetings after the collective agreement. It didn't always work, but it was at least an opportunity to talk to management. And we used to reciprocate, by the way. Management would take us off maybe once or twice a year to some venue to have an evening where we'd get the comptroller and financial people to go through all the books of the company and talk about the trends for the chemical and petrochemical industries. We would reciprocate and have the management group out and talk about the state of the union and where we thought things were going. So we had a really good dialogue in the '80s and early '90s.

Q: When did you first get involved in the union?

DM: Right away. I was active for many years before in the millwright union. I got active over a health and safety issue. It was a shutdown in the methanol unit that I was working on. The crane was hoisting these burners up to the top floor. It was pitch dark out, and I didn't think it was safe. So I went to the safety meeting and raised supreme hell. The president at the time, Cec Kereluk, said, you seem to be a bit of shit disturber, so maybe you should be on the health and safety committee. So I started there, and I chaired the safety health and environment committee for 5 or 6 years. I went through the

maintenance area steward and then to the vice-president and then the president. I think I was president for 4 years, until I left in 2000.

Q: The trades guys were probably pretty active in the union generally, were they?

DM: Yeah, very active. I can't go much back before my history, but the president before me was a millwright. Reg Jerome was a boilermaker, he was a president. Then I was a president. The guy after me, Bob Allan, was a millwright. So yeah, the trades maintenance guys did play a large role in the executive there.

Q: Were people who were active in the union quite active in the community?

DM: Sure. That company was very, very active in the United Way since the inception. That place had been around since 1952 or so, '51, and they were very active in the United Way. At one time when the place first started up, they had bus service out to the plant. I know a lot of the older people that I talked to were very active in the community. There was a core group of very strong political activists. That plant in particular generated a lot of really good political activists and politicians, and union activists. It had a very good history of that, working through the local.

Q: So when you started working there, there were a lot of people who were quite active in the union and in the community?

DM: Sure, lots of them. Ed Ewasiuk had already left. We had such a bizarre relationship there that the company, and not many people know this, actually supported some left-wing causes. They supported Jan Reimer for mayor; the company donated some money to Jan's campaign. There was a connection there, because Neil and also Ed Ewasiuk and Buck Felps from the '50s were very active in the union. And this other connection was a fellow by the name of Gary Shurry.

Q: This was a community within a community.

DM: Yeah for sure. I don't know why this particular worksite seemed to generate more, it didn't matter if it was community volunteers or political activists or other kinds of activists, social activists, than corresponding places. The only thing I can think is it's because of this sort of culture of family there, and the fact that the company wasn't opposed to us going down that road. I think I mentioned that the company in fact supported Jan Reimer in her bid to be mayor, which I thought was good. Then I was mentioning Gary Shurry. Gary Shurry was a western coordinator for the ECWU, the Energy and Chemical Workers Union. At one point in '85 or '86 or '87, right around the time I started there, he decided to leave the union and he went to work as the director for the Workers' Compensation Board here in Alberta, and then he got hired as the HR manager at Celanese. You probably should interview him to get this directly, but he basically told the plant manager, Dr. Brownley, that he wanted to forge a new relationship with the union. He wanted the ability to tell the other managers that the HR manager position was as important as the other manager positions, and that he needed these conditions before he would accept the job. Dr. Brownley said yes. I was president through some of the better times when we were able to negotiate some really progressive stuff. We were able to limit discipline – it was almost unheard of for about 3 or 4 years there. There were very few terminations; in the entire time that Shurry was there, there may have been 3 or maybe 4 terminations. On a workplace of 800, that's pretty amazing statistics. That was the good time.

Q: What was it like in the plant? Most employers have the impression that if they don't whip the workers hard, they don't get anything out of them.

DM: Probably once in a while we'd take a little more slack or latitude than was required. But I'll tell you what, when the machinery broke or when the production went down, all of those guys worked very hard. They felt, as I did, that there's some loyalty here. They didn't have to keep a staff of 150 or 160 maintenance people throughout the peaks and valleys. Particularly, they had a very large boilermaker crew. No other plants had a boilermaker crew like that. They tried to keep the gainfully employed, but by the same token they would keep people, and then when the shit hit the fan, they would pull out the stops. We'd work 24 hours a day and different shifts, we'd be happy in our work.

During those times there was a heck of a lot of overtime. It wasn't really a big deal. If you wanted to work overtime, if there was a project you were working on, you could go ahead and work it. I can remember in those years getting 700-900 hours of overtime a year. The famous Danny Zuke made 1000 hours overtime every year for 5 or 6 years. Danny Zuke was quite an overtimer. He always said, "If I work lots of overtime I can get lots of money. I can buy friends. I don't need to have friends, I can buy friends if I got lots of money". That was Danny. But it was good, it was really good. The workers worked very hard to keep the place running and help it make money, and it did made money. It made money pretty much every year it was there, which is sort of sad in the way it turned out.

Q: So the change in the management style wasn't a result of problems inside the company, but just that was how that company operated.

DM: Yeah, for sure. The American style. At one point we tried to wag the dog. We were the only site in North America where the union had negotiated a moratorium on discipline for safety-related offenses. They sent me and another fellow down to Texas to explain how this could work. They couldn't comprehend how you've gotta have the stick, it doesn't work without the stick. So we explained to them the concept of the disappearing triangle. If there's 100 near misses or 100 first aids, there's so many medical aids and there's so many serious injuries, and then there's a catastrophe or fatality at the top. If you add discipline to the equation, nobody's going to talk about the near misses, they're not going to report. They're all gonna have their own bandaid kit if you're going to fire them or have a suspension. So you lose those 2 bottom layers, which are really the education that'll tell you whether your systems are working. So I went down to Texas to make this pitch to all the managers from North America. While they didn't embrace it North American wide, they allowed us to continue on with our program up there. It was in effect even until I left.

Q: Were there other achievements?

DM: Aside from negotiating several significant collective agreements and aside from the issues I told you about earlier on the downsizing, where we were able to do good things and change shift schedules to avoid downsizing, gee I can't think of one off the top of my head. I'm sure there's a million other stories I should be telling you.

Q: This created a good place to work. Labor turnover must have been fairly small.

DM: Zero, nobody quit that place. Nobody wanted to leave Celanese. There were some dirty jobs there; I worked in some very dirty places in the CA unit and some very hot

places in the methanol unit. But all in all, it was just a fantastic place to work. It was a place where, and it sounds cliché, but you'd wake up in the morning and be happy to go to work. I felt that way for 15 years.

Q: That makes it easier for people to be involved in the community, when they don't feel dead at the end of the day.

DM: In the time that I was there with Gary Shurry, we decided that the picnic wasn't enough and the Christmas parties weren't enough. We wanted to have a union management family fun fishing derby. We had that for 7 years. A guy by the name of Gary Wood, who later on passed away from leukemia, was the driving force in organizing them. What a great way to relax and put the union hat and management hat off, and get in the boat and do some fishing. We had it in various different locations. I think we kept it together for about 7 years. It's like anything, golf tournaments, it takes so much to keep it going that it fell by the wayside. But that was a lot of fun.

Q: When the new management took over, the German firm with American managers, I gather there was a reluctance to invest in machinery and upgrading the plant. Was that something you felt?

DM: I don't know necessarily if it was only the management. Yeah, that was part of it. There was a great debate at one point about building a new carbonization vinyl acetate unit. We had a very antiquated one, it was built in 1951 to make acid. We tried very hard. We had a committee of everybody from engineers right on down, that worked very hard to put this proposal together. The company decided that they were going to put their money in Texas. That sort of signaled the beginning of the end. That old technology that we had was not only antiquated, it was pretty unsafe. So they shut down that unit and they started bringing in acid. That was sort of the beginning of the end. Then it was just sort of like a domino effect. The vinyl acetate unit went down, then the pentaritherol unit went down. Then the cig tow finally went down, and the CA was the last to go down. I believe they're just pumping effluent now, I think that's all that's left there.

Q: Did the free trade agreement have much to do with it?

DM: Well, I guess indirectly the free trade agreement did. But I'll tell you what did have a huge effect on it was the Alliance Pipeline. Back in the early '70s under Premier Lougheed, we built, and actually starting in the '50s before his time, we built a two-price system for gas. There was a lot of natural gas in Alberta and it was stranded gas. It made it very economically viable to build a petrochemical and plastics industry in Alberta. That started around 1950. Celanese was the first, AT Plastics came right after that. And you know what happened, they built an entire industry in Red Deer and there was a bunch of chemical plants in Ft. Saskatchewan. That had to do with cheap gas and lots of gas. Then when the Alliance Pipeline was built, it did two things. It made our feedstock price compete with the North American market. So there was no price advantage over the Gulf Coast or Edmonton. At one time Alberta had a very significant price impact. With the Alliance Pipeline that was gone. ...

So anyway, back to the Alliance Pipeline. Not only did it hit them in the price department, but it hit them more appropriately in the supply side. Natural gas is becoming a little more scarce in Alberta, so people who were contemplating either expansions or building certainly thought twice about it. With the end of the Alliance Pipeline there was

an offer at one point from the consortium to build a stripping facility in Alberta at the beginning of the pipeline to strip the liquids off. The liquids are the building blocks of petrochemical industry. What happened instead is they built a stripping facility in Chicago. So they're using the valuable liquids there and then stripping them off and using the gas for heating there. I met with a guy by the name of Payton, who's the head of the Canadian Chemical Producers Association. He said that policy decision is akin to lighting cigars with \$100 bills, and I totally agree with him. It spelled inevitably the end of that plant, because there was no more investment going into it, and it was sort of drive it until it drops. Preventative maintenance started to be nonexistent, and it was just bandaids fix things as best you could. It was really a sad time to watch that plant die a gradual death over about 4 or 5 years. A lot of it happened after I left in 2000, but even before I left there was a lot of that going on.

Q: Do you think if there were government policies it might've made a difference?

DM: Oh sure, definitely. If they had stuck to Lougheed's plan, and that was to try to keep a two-priced system in Alberta so that we could have a secondary manufacturing industry for gas, we could've done that. If they hadn't built Alliance, free trade wouldn't have really meant that much to the natural gas issue, because we wouldn't be able to take it out with breakneck speed. It's a huge amount of gas that goes down that pipeline every day. If they had had an energy policy ... And we met with the government here, and they basically don't. It's obvious today when you hear about that fact that they can't even compute what their royalties are, and they depend on the oil companies for their honesty and to write the policies for them. When we met with the energy minister, I think it was Melchin at the time, he admitted that they really didn't have an energy policy or an energy strategy, they just left that up to the industry. Well that's where we're at today. This is what the industry did.

Q: What did the closing down of the plant mean for that community?

DM: East Edmonton has always been a blue-collar community. We had at one time 5 packing plants in east Edmonton. We had Celanese and others that were an industrial base, particularly Celanese. Even if you just look at the amount of money over the years that they generated for the United Way, for example. I don't have the facts and figures, I know so many millions of dollars that they donated to the United Way. The money that they put into building the recreation center in Sherwood Park. The fact that they had ball diamonds that they'd share out and soccer fields that they'd share out. People that were active in those things, like old Bill Gillespie, he was big into soccer. There were all kinds of things that were gone, never mind the really decent wages. That's the thing, we made good money there, but we spent the money in our communities. So the tax base and the consumer spending was very important to Edmonton, and it's sad that it's gone.

Q: Do you think there's anything that replaces that in this community? The government will say it's still a very prosperous community.

DM: Oh sure, they're talking about building upgraders. But I don't have a whole lot of faith in this government. Project after project you hear that they're building in Texas. We get the extraction type jobs up in Ft. McMurray, and all of the value-added jobs and the jobs that really generate a lot of income and income tax and property taxes for communities are going to places like Texas and Chicago and other communities down south. So I'm not holding my breath that the government is going to do the right thing

here. If I was the king of Alberta I'd be putting in some legislation that would insist on or ensure that either the value-added jobs would be created here or they would be paying us a severe hefty penalty for taking our raw resources out. That may not work under NAFTA, I don't know. But I can tell you the people are getting ripped off here. It needs to stop.

Q: Looking at the environmental side, what were Celanese's environmental practices?

DM: You gotta remember that this is a company that produced some pretty noxious, toxic products, acid being one of them. Benzene is a pretty toxic product. They had a very active committee. Like I said earlier, the committee that I worked on was called Safety Health and Environment. We did environmental audits as hourly people. Over the years they made some pretty great improvements on things like not wasting water, in water conservation and in cutting down making systems more closed looped. But they also had 5 deep wells, and these deep wells would pump certain pollutants way down into the salt caverns. They've been doing that for decades. Out of sight is not necessarily out of mind.

Q: We're still left with that, aren't we?

DM: We certainly are.

Q: I don't think Celanese had to pay for...

DM: That's not exactly true. They had to sign a \$40 million environmental bond, and that money is still in escrow or held somewhere. I think they're trying to sell that site right now. I'm just speculating, but I've heard there's a for sale sign on the fence of the site. I think part of the for sale is you get the \$40 million to take over the environmental bond. I don't know if that's the reason nobody is taking it, or what. I think aside from the pollution, it's a pretty good site for an upgrader or those kind of things. It's very close to the refineries and it's sort of in refinery row. I don't know what they'll ever do with that site.

Q: But you have a concern that this government doesn't seem to have much concern about manufacturing, using the resources as a means or creating manufacturing industries.

DM: It's no different than the Campbell government in BC and their penchant for dismantling the forest practices there that have served that province well for almost a century, and it's creating a liquid pipeline to take logs out of the province and have them manufactured either in Asia or in the United States. The parallels are there. We get the very upstream jobs of extracting the resource, in Celanese's case the natural gas and in Ft. McMurray's case the bitumen. It's a mindset that we are, in Diana Gibson's term, hewers of wood and drawers of water. We're supposed to be a supply side for the American industrial and manufacturing. But I think people are starting to wise up to it. I think there's a groundswell of opposition building to these kind of things.

Q: Looking at it in international terms, do you think in a way a lot of what the union achieved in environmental and health and wage terms, that the company tries to go to places where they don't have to deal with strong unions?

DM: I'm sure you're right. For example, the work that was done at Celanese Edmonton, I don't know if people have told you, but one of the major products we made there was cig

tow, which is the material they make cigarette filters out of. With the production that they took from our plant, including the equipment, a lot of it went to Mexico and the rest of it went to China, they were building a number of plants in China. Obviously it's a low wage, low benefit, low environmental standard regime down there. I'm saying yeah, I think that had a lot to do with it.

Q: During the period when the company was closing down, what involvement did you have?

DM: At that time I was the administrative vice president. I took the issue to the national executive board, because I found it criminal what they were doing. I thought, we have to advertise this. We can't just let this go with a whimper and everybody just pick up their toolboxes and let it go. So I brought it to the national executive board and said, we've got to advertise this, we've got to build a campaign. So we did have a campaign. We built a campaign, we contacted the energy minister, several of the ministers in the Alberta government. We tried to get them involved with trying to save this plant. We had protests in front of the Leg on Valentine's Day. We made up hundreds of hearts with the names of the people on them, and had a very public campaign. We made a short film on it and we showcased that film right across western Canada, to make the link between the Alliance Pipeline and the jobs that were going down that pipeline, including the almost 500 at Celanese. So we mounted a campaign, met with the federal government, provincial government, everybody we could. Apparently we couldn't salvage it, but we gave it a good try.

Q: Do you think there are other plants in danger?

DM: Yeah, Well I don't want to jinx anybody. But if I was a petrochemical operator in Red Deer or Ft. Saskatchewan, I would keep the dust blown off my resume. If they can't get feedstock, they're talking that perhaps LNG will be the answer. But if it's liquefied natural gas, they would be making the products on tide water. They're not going to ship liquefied natural gas to the middle of the continent to manufacture to send back out to the extremities. It's not going to happen.

[END]