

## **HEADNOTES**

- safety
- production
- global
- management
- closure
- plant

### Mike McKinney

MM: My name is Mike McKinney. I was formerly working at the Celanese plant site and I was the chair of that bargaining unit, local 777 CEP.

Q: When did you first come to work at the plant? I want you to tell me about the conditions when you first came to work there, what sort of job you did, and what sort of plant you found there.

MM: In 1995 I began my work at Celanese. My first day on the job, I had these thoughts in the back of my head that Celanese was a great place to work. It was well known in the community. I knew of Celanese and some of the people that had worked there in the past. That name was synonymous with a great place to work. People were well paid there is what I heard, and the benefits were great. Just generally it was a good working environment.

Q: Over the years what changes did you see occurring in the plant?

MM: It probably was around 1995/1996 when we started hearing rumors that there may have been some problems in the chemical industry. That's the way it was brought to us. Changes had to be made. In other words, they were looking at ways to de-bottleneck, improve production, and try and start carving money out of operating costs. My first impressions were good, but then you started hearing these things that were going on. It kind of started about 1996. We did hear that there were possibilities of units maybe shutting down in the near future.

Q: And the job you did again was what?

MM: I was a Millwright. I was hired by the Maintenance Department as a Millwright, a Maintenance Millwright.

Q: Describe some of the employment that went on in the plant.

MM: As a Millwright there, I was part of a large maintenance team that included Pipe Fitters, Welders, Sheet Metal Mechanics, Insulators, Boilermakers, Carpenters, and Cement Finishers. We could've built a house with all those trades there. There were also Electricians, and Instrument Mechanics. That made up the core of the Maintenance

Department, along with the Engineers and Planners - things of that nature. We supported the operations there.

Q: When did you first encounter the union there? Lay out a progression about how you got involved and later became an officer of the union?

MM: Shortly after my employment started at Celanese, I was starting to have some issues that I'd like to have questions that I had about the union and about the way some of the people were being treated there. I was looking for a Steward. Within our operating unit, the Cigarette Tow Unit, we didn't have a Steward at the time. He may have been off sick on a long term thing or something. I was going around the shop looking for who the Steward was, but could not find one. In the lunchroom, fingers were pointing at me. That's my first, and how I got started with the union at Celanese, and that bargaining unit. I started from a Steward, and then from there came out to union functions, and educational schools that were put on. I got more and more experience, and decided to become more of a part of the bargaining unit. Eventually I took a position as Maintenance Area steward, and from there, President.

Q: What are some of the issues you dealt with as you were an active and leading person in the union? What are some of the issues that you remember dealing with that predominated, or that the union focused its attention on in the years that you were active.

MM: Some of the big issues, and definitely some of the main issues, were the way management was interacting with the people on the shop floor. There were some problems, maybe with overstepping boundaries and jurisdictional work, and possibly these were some of the issues there. There were also some personal issues that took some of our time as well. A lot of times it came down to maybe a disciplinary problem and the way it was administered - if in fact there was any infringement by the member. Things seemed to start pyramiding. That was due, maybe, to some of the rumors of partial plant closure at the time. A lot of people started seeming to become on edge.

Q: We'll get to the closure in a minute. Just tell me though, do you remember any successes or achievements by the union in that period? Any milestones reached or anything that it wanted that it was able to achieve? Or on the other hand, do you remember some things that you didn't achieve that you thought should've been achieved?

MM: Well, we did celebrate a 50 year anniversary of 50 years of unionism on that plant site. All you had to do was look at the display of our Collective Agreements and saw where we came from to where we ended up. I was proud to be a part of a union that could achieve that much over that many years, and stay strong. We thought it was a viable workplace because of that.

Q: Here I am, a non-union person in non-union Alberta. Tell me, point to some things that would've made you proud.

MM: We supported different labor issues. We were onboard on most of the important issues. If we were brought to be aware of these issues, we'd be more than willing to lend a hand and be a part of those issues. Issues ranged from troubles in other worksites, and

we'd be there supporting those other workers. We tried to be a big part of the labor union movement with Alberta, no matter if it was down south or up north, and we were there to support those individuals.

Q: So you people really believed in solidarity, and it affected your relations to some of the central labor bodies. Were you people active at all in the AFL or the Edmonton Labor Council?

MM: We were active in the Edmonton Labor Council, the AFL, provincially, and then also federally with the Canadian Labor Congress as well. There were other affiliations that are slipping my mind at this point. The point is that we were well connected, provincially and federally. We believe even though we were not necessarily the largest local, we did get involved with as many of those important issues as we could.

Q: Let's go back to the plant before we start talking about the closure. I've had some people talk a bit about occupational health and safety. Do you remember that being an issue that the union addressed? If so, what were some of the issues?

MM: If you want to talk safety, I think it was a culture within that local that whenever there was a safety issue or a safety concern it was brought forward and it wasn't pushed behind. We tried to bring that out. We wanted to make it as safe a workplace as we possibly could. I think as far as the union's leadership went, we really tried to get that out of those workers that may or may not have trouble bringing those issues forward. We really tried to bring that out. Not only to protect that individual, but for everybody's benefit. We wanted to have not only a good paying job where the company was viable, but we also wanted to make it safe as well.

Q: Can you tell me about how your local handled occupational health and safety concerns?

MM: So are you talking about more or less, sort of, how it was handled on plant site, like safety in general?

Q: And I also want to know what some of the threats were. Having some understanding of chemicals, I suspect there were some issues there as well.

MM: As far as the way safety was handled on the plant site, it was definitely a joint effort - joint meaning the company had representatives, and the union had representatives, and they met monthly to discuss issues that were of importance on the plant site at the time. We also had a full time safety officer that was made available, who had his own office. He was made available to come out if you had any concerns, to scope the job out and see where the concerns were, and if necessary, take further steps to either make it safe or find alternatives to deal with that situation.

Q: What about the management of the Celanese plant?

MM: The management on the plant site were typical managers. Their job was to ensure that production was kept up. They wanted 100% production and they wanted it

consistently. So we had to deal not only with what they were forcing upon us, but we needed to deal with the safety concerns that we had as well. There were times, for instance, if we felt a job was unsafe to do, that we had to actually shut that job down, despite production, despite what the managers thought of us at the time, and take a step back and look at it. We supported our membership wholly whenever situations arose that happened like that. We'd stand 100% behind them.

Q: The union shutting a job down because of safety concerns, that's something most people don't know about. Do you recall any single incident that you can describe?

MM: Let's see. I've got one. It's going to take me a little bit to recall that.

Q: You were a union officer and it was your job to lead your members and to represent your members. This is Alberta. Did you encounter any anti-union biases. What was the support of the membership like for the union?

MM: I'd like to say I was supported 100% on every occasion, but there are those that thought that there were issues that they would like to take upon themselves to bring forward to management. That was far and few between, but there were instances of members circumventing the union on the site. We had to deal with those more or less with a velvet glove. You'd take that membership aside and explain to him why that's not right in an environment where everybody (there's solidarity involved here), everybody's working together to achieve the same goal. More often than not they saw the light. There was times when we had to talk to individuals and let them know how it affected the rest of the membership. You really have to, when you're in a position like that, to use a bit of, (you gotta have it) understanding. You gotta put yourself into their shoes, and what they're looking for, but also for what the rest of the membership is looking for. Ultimately, it's an election position and I'm there to represent the membership. Those are the kinds of things we had to deal with.

Q: I want you to describe the situation that started to develop when you found out that there was a possibility that the plant would close down. I want you to describe how that developed.

MM: It was a slow death. It was like a disease that started itself, maybe in 1996, and then finally coming to an end in 2007.

Q: Just describe it as pedantically as you can, okay?

MM: I guess in the beginning, what I can recall (the beginning of the end you might say) was talk of unit closure. In particular, there was one of the units that we were told is now becoming not as profitable as it used to be. We had people coming up from the head office in Dallas stating that there could be some problems down the road and we may have to choose between one or two sites as to which unit we closed down. Edmonton was one of those sites on the hit list. We were asked at that time to, if we can, to just carve another \$20 million out of the budget, and that if we can work harder, stronger, and faster, whatever it may be, that we could maybe save that unit. So that was a challenge that they put to the membership, and this was Head Office telling us this. So we rose to

the occasion, deeply carved out that budget, and met that challenge, and yet they would come up again and say “That's not enough. Unfortunately we're going to have to take that unit down in order to save money. The company as a whole globally needs to take that unit down”. That was kind of the beginning of it all. We really at the time felt betrayed. You did as much as you could to keep those units running, and yet you met those challenges. It was almost like one of the members spoke out and said “What are you trying to do? Are you trying to set us up for failure?” That had a lot of credence, really, because when you think about it, that's kind of what we felt as a membership. After that unit closure, of course there were layoffs involved, and then we went through a shortening of the work week as well for maintenance. That was another issue. They needed to carve a couple of hours out of each person's work week. They said, “Okay, this is what we're going to do”, and they left it in our hands - the membership's hands. Either take 2 hours out or we're gonna lay off 9 people. They gave us this choice, so we took it to the membership. At the time I was not President, I was one of the 9 on the chopping block at the time. That got brought to a membership meeting. We voted on it. We voted to go to a 4 day work week, by compressing the work week, and taking 2 hours a week out of ours to save those jobs. We met that challenge. This was just another challenge we met. Then finally, or not finally, there was . . . the next challenge, in that sort of progression of the race to the end, where the PE Unit was now coming down. That, and the MO Unit, came down as well. As soon as that first Unit came down, that was the beginning of the end. They just kept falling down, bringing those units down. At the same time though, they kept asking us to make more and more cuts, improvements, de-bottlenecking - all these things. Maintenance and Operations worked darned hard to try and keep those Units viable. But still, you gotta answer to a global board. They don't really care about what's going on in Edmonton. It's just dollars. They did bring those other 2 Units down. We heard, then, during that time, that the first unit that came down they thought was a mistake. It was still making money, and they were quite happy with the money that it was making. For whatever reason, there may have been an underlying issue that we were not privy to at the time. So that started everybody thinking - what could it possibly mean? What we ended up thinking came true. They wanted to close the Edmonton plant down. They wanted to take this plant somewhere else or move the production, even though this plant was making money. You're talking at the time I was there of 450 people earning a good wage. That company was making a fair dollar there. We were getting bonuses every year, healthy bonuses for the work that we achieved. In spite of all this, they had alternatives that we didn't know about.

Q: You're free to speculate. They took a livelihood away from you and you were able to find another. Why did this plant then have to close?

MM: It came down to, where my opinion is, that they wanted to move product to other countries where possibly they could find exploited workers. They maybe looked at areas where environmental constraints were almost nil there. We think because of these issues that they figured that they'd have an easier time operating in those countries. Of course those countries are non-union, so they can have their way with the workers and exploit them to however they see fit. They were actually taking our jobs away and shipping them overseas. We were quite angry about that. The company, of course, is never going to admit to this, not at all. This is how it looked like when it was going down.

Q: My experience with the union is that anger often is directed both ways, at the union as well as at the company. It's quite unfair, I always think. Do you recall anything happening like that? What were you able to do for these people?

MM: At the time we were really getting it from both sides. The membership wanted to know what happened. Why are we shutting down? Even prior to that, these questions we were asked. The company is coming to us saying "You've gotta calm down your workers. We still want our production". We're talking to them, but, well, under the circumstances, frankly they're pissed off. They're angry, and they want answers. All that management say they can give us, is that if we keep meeting these hurdles then we'll stay off the radar globally within the Celanese global company. If we keep meeting those targets, we'll stay off the radar. We're hitting it from both sides. I'm sorry, but what was your question?

Q: What you can talk about is the affect it had on the workers. This had a great impact on the workers. Talk a bit about the demographics. What kind of help did they come to the union for?

MM: First of all, the demographics of the Celanese plant, would've been an average age of the middle 40's. You're looking at a demographic where they've put some considerable years into Celanese - some of them out of high school. Some of them are husbands and wives working at Celanese. We're looking at basically a community. Celanese was a community of people where you grow friendships and good relationships there. Just the effect of the rumor of shutdown started people worrying about what they are going to do. A lot of these people coming out of high school, were trained to be Celanese workers on Celanese pieces of equipment. Some of those jobs are not as transferable as people might think. Some of those operators did manage to move up the ranks and get an apprenticeship and get a ticket, and for those people it wasn't as worrisome. The Operations people, though, were thinking about their future pretty hard. Meanwhile they had to maintain production on the plant site. So were their heads in the game all the time? It's pretty tough. I don't know if the accident rates went up, but it was really tough. So they would come, a lot of the membership, to us, asking for (they wanted) answers to their questions about when are we shutting down, how are we shutting down, and who's getting laid off? These questions we couldn't answer. We didn't know.

Q: Apart from answers, what sort of help did they need from their union, and what sort of help were you able to give them?

MM: Once we knew where the needs were, we could help, because people were asking us for training. Obviously if they wanted to make a move into another career, training was very important to these workers. We took their concerns forward and we were able to come up with a training agreement with the company. Through that agreement, people were able to access funds to retrain and maybe to make that move from Celanese to another career. Another excellent thing that the union was able to do was set up a training center. This training center was absolutely critical for people to make that move into the next career. I am proud to be a part of this group that actually put this together. It was definitely a very important part for those members to make that move. Obviously we brought the case forward and the company agreed, with reluctance, to be a part of this as well.

Q: Do you have any reason to believe that the training center achieved any concrete positive results?

MM: Geez, I'm one of the positive results. As far as my training went, I think what I've actually done is taken all the union training that I've had, and the speaking that I've had to do during union functions, and actually apply it to a new career. I was actually thinking about actually moving right out of the Millwright trade and moving into a different career. But because of the union and all the engagements and training that I received through the union, I was able to make that move over to an instructional position at NAIT. This background has helped me tremendously.

Q: I was thinking about the training center.

MM: At the training center we were able to provide them first aid courses, construction safety courses, petroleum safety courses, and job searching techniques. We had different companies come in and put on presentations - companies like Suncor. It was invaluable. We would invite companies to come in, and people would show up with their resumes. It positioned itself as a really central place to go, for people, in order to make that next move.

Q: People have to know that the workers who are facing that prospect are never going to be totally happy. I'm not looking for dirt here. Was there a demand that the union should be doing more for them?

MM: Under the circumstances, there was a lot of pressure put on the Union to help its membership. Who else would they look to? The Company was a collective, and we work as a group. Of course those workers are going to come to the leadership to ask for more. If the concerns came forward, and if there was many of them, we'd have to work on them and we'd bring those concerns forward. If it were extra training dollars that were needed, we'd represent them to try and get those dollars needed.

Q: What do you as a worker who was involved and as a union officer think about the role of the government in all of this, the government of Alberta, the government of Canada. What sort of economic policy were they following that would allow a plant like Celanese to shut down? Do you have any thoughts about what the government was doing?

MM: The Government was doing nothing. Their policy isn't directed for workers, it's directed to companies. There was very little protection for us as workers to go to. We did sit down with the Government Energy Minister looking for alternatives, and for possibilities of keeping this Company viable. We were actually (although I don't want to say we were going behind the Company's back) active in trying to find alternatives for the plant site, whether it's help from the government. We know the company had it in its mind that it was going to move that plant to another location, or move that production to another location. We were in the Ministers' offices. We tried to get a meeting with the Prime Minister. In fact the Prime Minister, for whatever reasons, thought that people were going to be well looked after and relocated. He had no clue of what was going on in

that plant site. All he knew is that there were some people that were angry and losing their jobs. I don't know if he really knew the whole story or did care. I don't think so.

Q: So in the end, what help did the government of Alberta give to you? Can you think of concrete assistance that they provided? Did they attempt to keep the company in Alberta?

MM: There was no effort from the government whatsoever to keep that company viable. I don't know if it was to help with feedstock pricing. It was actually Alberta's policy that most likely drove this Company out of Edmonton. It's to do with the natural gas and the feedstock. The rising cost of the feedstock was huge. There were cases where also the stripping of some of those gases were very important to some of the operating units at Celanese. Celanese, and other chemical plants within the capital region, depended on some of those stripped components of the natural gas. For all we know, that gas was sent down to Chicago or wherever - straight out of the ground unstrapped - and really important chemicals and feedstocks down with it. When we could actually use it here in Alberta, it was being sent south.

Q: So what are the prospects for future? What does it say about the future of industry here?

MM: As far as the rest, in my opinion, and as far as the future of the petrochemical industry, it's bleak. Take a look at Dow Chemical – they've already gone through a Unit closure. I've been talking to some people that I know that work there. They're not replacing people who are retiring. I see similarities in Celanese at Dow. They are starting to get concerned. Also AT Plastics may be another company that possibly may be moving on or shutting down. It's just starting the ball rolling as far as the downward spiral of chemical production in the capital region or in Alberta, possibly in Canada.

Q: Tell me a bit about the company that took over.

MM: During the closures that were happening, and, I guess, prior to the closures, there was a handover or a buying out of Celanese. It moved away from a company called Hersht, that was involved in pharmaceuticals. They actually wanted to be disassociated with a plant that is into chemicals, so a buyer was found - a company called Blackstone.

Q: Let's start again. Talk about the company that took over, and what it did.

MM: What happened as far as I remember is that when all this started happening it was largely due to a takeover that happened at the time that these units were shutting down. A company called Blackstone took over ownership of the Celanese company globally. We were actually a little frightened by that. When this was all happening, some of the guys right away were on the internet trying to find as much information as they could about Blackstone. The information that we could find out was this was a company that's based out of the Cayman Islands, which – bang - there's a red flag. If their bank accounts are in the Cayman Islands, they're based out of the Cayman Islands, so we started thinking some serious thoughts of what might happen to the company. We found out exactly what they do when they start purchasing companies - carving them up, look at their pensions, see if there's any way they could move money out of their pensions, carve them up, spit



them out, take what they can, and leave the rest for chaffe. That's when the red flags went up. We knew (kind of) what was going to happen, and we knew the end was near, but the company just wouldn't let us in on the motive of this company. I think the membership well knew we were heading for plant closure, just by the fact of Blackstone's history. Blackstone is purely a capital generating type of company. I think they're only a company of 3 or 4 board members. And now we hear that maybe a guy you don't know, Brian Mulroney, is now on the board of Blackstone. There are just a few of these members, and it seems they're based out of the Cayman Islands to avoid tax implications or whatever. At the time, we knew we were in trouble when a company like this is taking you over. It's taking you over, it's getting rid of workers, that's what it means. It means pulling money out of your company. Right there, coming into work started getting tougher and tougher, because as a Union leader, people wanted answers. They would come to us, this Blackstone company (it's gonna shut us down, right?) and that's what we'd hear. We'd say "well, nobody said anything to us, we don't think so". We're meeting all these demands by the Company to become more and more profitable. As we found out down the road, Blackstone is only interested in their bottom line. People aren't in their bottom line. They want to take this company down and take as much out as they can.

Q: I don't understand how it would not be in the interests of the government to step in and do something about this. The economic impact on Edmonton and Alberta is bound to be sizable. Give me your thoughts about that. What insight does this give us about the way government handles the business of the province?

MM: When we look at the amount of employees that are actually on the Celanese plant site, you're looking at 450 jobs. I know there was considerably more there before my time. I think there were some figures of 3 to 1. We'd have maybe 500 jobs on the plant site, but that would provide possibly 1500 jobs or more offsite. That's a very low number, but it provided economic prosperity for other people outside, union or non-union, like truck drivers, machine shops, supply companies - anywhere you buy parts. There's many, many jobs out there that spun off from Celanese. The way our government looks at it, I don't think they look at it very deeply at all. They don't really realize the human impact on losing a single job out of the Celanese site. Their heads are really not in the right place. They're thinking about the dollar, and not the people that elect them to make a viable Alberta - to make a prosperous place. They talk about all the advantages - the Alberta Advantage. It wasn't working for us at the time, and that was all during those years when they were talking about the Alberta Advantage. Maybe there was decent growth within certain companies, but we weren't seeing it. We were seeing the Alberta Disadvantage at Celanese. We thought we were totally abandoned by the Government, just by their lack of involvement with the closure. We did try and get the Alberta Government on side as far as their training center, but we found it largely inadequate. It wasn't prepared to handle the workload or the issues that our workers needed. We approached them and we met with them, and we saw there was a shortfall there. That's where our training center did sort of pop out - out of that shortfall.

Q: What about the effects on you? You worked there a long time. Talk about what you went through.

MM: On a personal level, I'm a person that enjoys a challenge, and enjoys change. Having said that, I wasn't really worried too much about where I was going to go. I was really concerned about the membership. I was looking at the demographics of the membership. You're looking at people in the 49 to 52 sort of age. Where are they gonna go? We've all heard that workers in that age group are finding it more and more difficult to find work. So these are the kinds of things weighing personally on me. Where are these people going to go next? It was really a struggle to come into work and to have answer those questions again - what can the Union do for me? As a Union official, I didn't back down from that challenge, and we worked collectively. The Union leadership there worked collectively to come to the best possible solution we could. It wasn't perfect, but we were not leaving our membership hung out to dry. Personally, it did affect me quite a bit.

Q: Describe what you're doing now.

MM: Now I'm actually staying within my trade as a Millwright, by working at NAIT as an instructor. My students see a bit of bias about my background as a union member. The discussion does come up in class. Even though I'm there to instruct the students on the ins and outs of compressors and bearings and turbines and engines, I always have that thinking of a unionized worker. It's always sort of geared, but it's not only geared, towards getting in there and getting as much money as we can out of the Company. I think people do have a misconception about what unionism is about. It's about helping one another succeed in their employment, and work safety. That's what I drive home. That's what I take away from Celanese - to make sure that those guys get out there - and some of them are young - 18, and 19 year olds. These are green guys out in the work field and they're in a dangerous trade. This trade is not like you're working in a bakery. There's definitely some issues and things that you have to be aware of. I explain to them, that I don't want to see them being pushed around or exploited by their employer. You have the right to refuse unsafe work, and that's the bottom line. You've gotta go home to your family in one piece.

Q: It would be nice if all of these students could see the Celanese story.

MM: I hope so, and I will direct them to the web site.

[ END ]