

# Praxair to close Tonawanda factory

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*50 jobs will be eliminated as firm subcontracts work out to other suppliers*

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News Business Reporter

Praxair Inc. will stop making air separation equipment at its Town of Tonawanda factory next March, eliminating about 50 jobs, company executives announced Monday.

The move ends the company's manufacturing operations in Tonawanda after 82 years. However, Praxair will continue to produce industrial gases at a Niagara Falls plant.

The announcement drew a bitter response from union leaders who said they believe Praxair has been planning the cutbacks for years.

"We believe they intended to do this right along," said Joseph Sebastian, international representative for the Oil, Chemical & Atomic Workers International union, Local 8-215, noting the workers have gone more than 2½ years without a raise while they saw their work subcontracted out to other suppliers.

Company President Edgar G. Hotard

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**Joseph Sebastian, Local 8-215  
International Representative**

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said it makes more sense to have the air separation equipment produced by businesses that specialize in them.

"Praxair will continue its core activities of designing and engineering air separation equipment for use by industrial gas customers worldwide," he said. "And we will ensure that equipment built by other companies meets our stringent standards of quality and safety."

Hotard said the end of U.S. equipment manufacturing will not affect Praxair's white-collar work force, which totals more than 1,000 locally.

The first 16 workers will lose their jobs on Friday, according to Ralph

Krieger, president of Local 8-215.

The OCAW's Sebastian said, "We have absolutely nothing good to say about the company." He said decades of smooth labor relations ended in the late 1980s when Praxair was spun off by Union Carbide. He said the company sought major concessions and workers filed grievances to try to win back work for the Tonawanda facility.

"Once they became the Praxair corporate headquarters, they didn't want hourly workers there at all," he said. Sebastian predicted that other unionized Praxair operations also ultimately will be closed.

Praxair also makes air separation equipment through affiliated companies, located in Brazil and Italy. Those operations will continue, said Stephen M. Glick, Praxair's director of administration.

He explained that the market for the equipment is growing rapidly in South Korea, the People's Republic of China, Indonesia and South America. "There's more work overseas. So, it pays to do

work in these countries and source from there," Glick said.

He also noted that many of the air separation devices are huge and cannot be shipped from Tonawanda because of inadequate rail and water transportation facilities.

Praxair is the largest supplier of industrial gases in the Western Hemisphere. The sale of air separation equipment represented a "very small fraction" of the company's 1992 receipts of \$2.6 billion, Glick said.

Praxair receives 4,750 kilowatts of cheap electricity from the New York Power Authority, in exchange for promising to employ 1,169 people in Tonawanda and 161 in Niagara Falls. The company currently has just over 1,000 employees in Tonawanda and 100 in Niagara Falls, Glick said.

He noted that Praxair has created more than 250 jobs in the last few years because its North American headquarters was shifted to Tonawanda. The company's corporate offices are in Danbury, Conn.