

# SPARK

## Chrysler: Not As Poor As They Say!

Sergio Marchionne, the CEO of Chrysler, has found a way to take a bad UAW pattern contract and make it worse.

With the Chrysler tentative agreement, both Chrysler and top UAW leaders are pushing the lie that the Chrysler contract has to be cheaper, pretending that Chrysler has no money.

All that Chrysler has committed to with this contract is a signing bonus of \$1,750 up front plus \$500 each year in bonuses – only \$3,750 total – stretched out over 4 years. Additional bonuses come with strings attached. These Chrysler bonuses resemble a marionette puppet – they are designed to be easily yanked away.

Confronting the reality of Ford workers' national No! vote in 2009, Ford dangled \$10,000 in bonuses – ALL guaranteed by December 2011 – to try and entice workers to ratify the Ford contract. This amounts to almost 6 times more than the up-front bonus being offered at Chrysler.

Chrysler's flimsy excuse for offering so little to workers is that they reported a "loss" of 254 million dollars for the first half of 2011. They conveniently fail to mention that this "loss" occurred because Chrysler racked up a one-time expense this spring – when they paid off their government loans 6 years early.

Why were the loans paid back early? Doing this gave Fiat immediate control of Chrysler. How did this benefit Fiat?

An article in Automotive News Europe (10-12-11) provided one

explanation. It explained that once Fiat gained majority control of Chrysler, they increased their cash holdings:

Chrysler's cash holdings were rolled into Fiat's for a total of \$27 billion. And in a sign of their strength, Fiat leads the industry with the highest cash-to-revenue ratio, at 36.2 percent.

Does THAT sound poor and needy?

What about profitability?

Reuters reported on 9-13-11 that entire year profits for Chrysler for 2011 will top 2 billion dollars. Sergio has also been stating that profits of 3 billion dollars are expected for 2012.

Chrysler workers have MANY reasons to be angry about this tentative agreement – first of all the lies about Chrysler's so-called poverty!

### **GM Promises Now Unravelling**

The UAW said GM made "product commitments" to get the contract passed. Promises of "retaining and creating" jobs at plants across the country.

But GM has already torn up one of those promises. It announced that at its Detroit Hamtramck plant, it will "delay" – by at least a year or two – the opening of two additional shifts. 2,500 promised jobs – disappeared!

Perhaps this is what GM spokesperson Cathy Clegg meant when she told reporters that promises in the contract did not apply if the situation changed.

What changed – just 8 days after the contract was approved?