

# Independent Analysts View the Chrysler Contract

## **To Robert Nardelli, Chief Executive of Chrysler from Jack Flash: Rescue Memo.**

*“They pretended to strike, and you pretended to cave. In reality, the \$11 billion you paid to get the health-benefit liabilities off your books will soon look outrageously cheap, and limiting job guarantees to the lifetime of the individual products will give you far more maneuverability than anyone is reporting. You were right to allow the U.A.W. to claim victory while you quietly suppressed a smirk, knowing you have just secured much greater flexibility for Chrysler.”*

[[www.portfolio.com/executives/features/2007/10/11/Rescue-Memo](http://www.portfolio.com/executives/features/2007/10/11/Rescue-Memo)]

## **The Real prospect: Chrysler and Ford move to Mexico on our dime.**

*“This creates the real prospect that Ford and Chrysler will be much more heavily Mexican companies in five years.”* Dan Luria, an analyst at the Michigan Manufacturing Technology Institute told Bloomberg News.

[[www.bloomberg.com/apps/news?pid=20601087&sid=aXWMgn8OF.O4&refer=home](http://www.bloomberg.com/apps/news?pid=20601087&sid=aXWMgn8OF.O4&refer=home)]

## **The Exit Strategy: Get union members to pay for the closing fees.**

*“What does it all mean? Cerberus is keeping its Chrysler strategy close to its chest. But the key question when any private equity group buys a business is: What's the exit strategy? Cerberus has bought Chrysler to make money and in as short a timeframe as possible. Which is probably why Robert Nardelli's now running the automaker and not a car guy like Wolfgang Bernhardt.”*

[[http://www.motortrend.com/features/auto\\_news/2007/112\\_0712\\_chrysler\\_shock\\_hires/](http://www.motortrend.com/features/auto_news/2007/112_0712_chrysler_shock_hires/)]

## **VEBA is underfunded, underhanded, and unfair to both workers and retirees.**

*“Thus, the argument that the offloading of GM's long-standing and carefully negotiated healthcare obligations to the Veba creates a truly independent UAW-controlled entity backed by secure funding is misleading. Despite appearances, the unionised workforce, current and future, remains tightly linked to the fortunes of the troubled carmaker.”*

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[[www.ft.com/cms/s/0/d8bd9bc6-7081-11dc-a6d1-0000779fd2ac.html?nclick\\_check=1](http://www.ft.com/cms/s/0/d8bd9bc6-7081-11dc-a6d1-0000779fd2ac.html?nclick_check=1)]

## **Selling a deal as opposed to an informed vote.**

*“This note will have a face value of \$4.3725 billion. The interest rate is currently undisclosed. The maturity date is undisclosed. The conversion rate is undisclosed. This is essentially a non cash transaction.....The market cannot rely on union leadership selling a deal to their own membership for disclosure information.”*

[[www.financialskeptic.blogspot.com/2007/10/gm-veba-investors-need-to-pay-attention.html](http://www.financialskeptic.blogspot.com/2007/10/gm-veba-investors-need-to-pay-attention.html)]

**Every plant, whether it's GM, Ford, or Chrysler, that is labeled non-core is up for sale.**

**Two tier is not job security, it's an open warrant for union busting.**

**UAW members have been misled about the security of the VEBA.**

**NO TWO TIER.**

**NO VEBA.**

**WE ARE UNION TO THE CORE.**

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