

## Live Bait & Ammo #53

"the pump don't work cause the vandal slipped the handle"

On Wednesday October 5, the good fellas from Delphi headquarters, Guy Hachey and Derrick Williams, upbraided Coopersville management for poor performance. Who the hell do they think they are? Do they actually imagine they have credibility with anyone?

No one is more responsible for the failure of Delphi than Guy Hachey, Derrick Williams, Ed Northern, Rodney O'Neal, and J.T. Battenberg. Together they drove a Fortune 500 company headlong over the cliff. And they have the gaul to criticize a plant that has always been profitable?

Consider this: In 1999 Delphi didn't owe anybody a dime. Hachey and his cronies had the chance of a lifetime. Delphi owned outright all the property, machinery, technology, patents, and products. The pension was fully funded. They carried contracts with the largest automotive manufacturer in the world in their back pockets. Don't believe me, read the 1999 Delphi Prospectus. Stock was selling for more than twenty dollars a share. In six years Delphi hotshots trashed North American operations and the price of a share fell to a buck-twelve. The hallmark of the Hachey Gang is fraud, incompetence, mismanagement, and corruption.

The train wreck was no accident. The bankruptcy was planned. GM wanted to renege on its obligations to workers. It wasn't creditors who forced Delphi into court, it wasn't debt, it was the desire to cheat workers out of their life savings.

If Delphi can limit bankruptcy to US holdings while foreign assets remain unaffected, why did the stock fall so low?

If there is any silver lining in the court proceedings, it will be the light of truth. Finally the public will be able to scrutinize the transfer of assets from the US to Mexico, Europe, and Asia. Finally, the questionable transactions between Delphi and GM will be exposed.

Since 1992 all of Delphi's profits were invested outside the US. Our plants were milked dry and undermined.

Since the spin-off Delphi sold parts to GM below cost. That's not a business plan, it's racketeering.

I'm not making this crap up. Read the papers. Delphi sells scrap and buys it back. Who could make up something like that?

Dee-Ann Durbin reported in the Detroit News, "In one instance, Delphi sold \$145 million worth of scrap inventory to Murfreesboro, Tenn.-based Setech Inc., an inventory management firm, and booked the sale as income even though its agreement with Setech required Delphi to buy the inventory back. The suit claims Delphi executives arranged a total of \$440 million worth of similar deals."

["Pension Funds Sue Delphi over Accounting Practices" Detroit News, 10/6/05]

I had thought that Delphi, GM, and the UAW would avert bankruptcy. But then I didn't have all the facts. My first inkling that bankruptcy, not concessions, was the plan was on October 6 when McCracken and Hawkins, two reporters for the Wall St. Journal wrote:

"Some analysts have zeroed in on the 1999 spinoff agreement between GM and Delphi. An indemnity clause in that agreement gives GM a general, unsecured claim on Delphi's assets in bankruptcy proceedings much like what a bondholder might have. As a result, analysts and lawyers said GM could be in a position of owning a sizable chunk of restructured, cleaned-up Delphi common stock - essentially giving GM a way to earn back any money it spends paying retiree health care or topping up worker pensions, as it might be called upon to do should Delphi terminate its pension plan. GM would have a similar claim on Delphi assets out of bankruptcy, but Delphi is probably more attractive to own post bankruptcy once it sheds unprofitable businesses and onerous labor pacts."

GM spun off its liability to workers, not its assets. Bankruptcy was in the cards before the first shuffle. The bad hand we were dealt wasn't left to chance. The deck was stacked in a back room in Flint in 1998.

If the UAW was a real union, we would have struck Delphi before Miller went to court. The Coopersville plant alone could have shut down GM. If Wagoner was forced to pay laid off workers while their plants sat idle, he would have come to

the table willing to talk seriously. It's too late now. Miller spit in our collective faces and now he expects us to fall in line.

If Shoemaker approaches Delphi UAW members with contract concessions he may as well bring decertification papers to the party. An offer of concessions will be the death knell of the UAW in the automotive supply sector. We don't need a union to bargain for concessions. The judge will do it for free. If Shoemaker dares to tell us he can get us a better deal than a bankruptcy judge, he better do it by mail. The marines couldn't guarantee his safety.

Between GM, Delphi, UAW bureaucrats, and rank and file members there is only one set of losers -- workers. But what else can you expect from a union that brags that it is partners with GM? What else can you expect from a union that gives companies like Lear good citizenship awards. Last year UAW members at the Lear plant in Grand Rapids, MI agreed to deep concessions in order to save jobs. This year the plant is closing. Lear used all the money it saved on wages for closing costs. Concessions never save jobs, they just pad executive pockets.

On page 451 of the unedited version of the 1999 Delphi-UAW National Agreement there is a letter stating that all UAW International appointees who formerly worked at Delphi "would nevertheless continue to be employees of General Motors for purposes of accumulating seniority." Their pensions were protected, our pension credits with GM were turned over to Delphi. It doesn't matter if we flow back to GM, the bulk of our pension is tied up in a company that was designed to go bankrupt. A company that GM set up to buy parts from below cost while they divested in America and transferred assets overseas.

One reporter asked me if I thought the UAW would call a strike. Hell, I wouldn't go on strike now. I'd trust a bankruptcy judge before I'd trust the UAW. At least I'd be able to read the court transcripts.

It reminds me of the joke Brother Allen Nielsen told me: What's the difference between lemmings, sheep, and Delphi workers?

Delphi workers pay union dues.

Another reporter asked me if there were any major purchases that I would now refrain from buying. At ten dollars an hour I may forgo eating, but over and above that small luxury, I guarantee that neither I nor anyone in my family will ever buy a GM product.

When we return to work we will have nothing to lose and nothing to gain. The Agreement is broken. There are no rules. Miller has shown his unmitigated contempt for workers. What does he expect will come of this situation? We aren't plow horses.

The division between workers and managers couldn't be more clear. Please understand that at this juncture I personally feel that shopfloor supervisors and engineers are workers who will be shafted as hard as any union member. They deserve better. But everyone in the upper echelon is a ruthless grifter determined to profit at our expense, determined to take everything they can from us, determined to get rich off our misfortune.

This situation isn't unique to Delphi. Like Bob Marley sang, "Everyman thinks that his burden is the heaviest." And it is. But we are not unique. It has happened before and it will happen again and again until workers band together and take the law into their own hands. Nothing less than a national strike will suffice. Until then, work to rule or stop whining.

Now that I have blown off steam I would like to remind everyone that the GM-UAW Team are our partners. We should do everything we possibly can to produce the highest quality components as efficiently and safely as possible and to make sure that there is no interruption in the flow of parts to the GM-UAW Team. On time delivery and perfect quality is the best way to exceed our partners' expectations and guarantee our credibility as a world class supplier. The GM-UAW Team deserve the best that we can give them. The very best. Give it to them. All the way to the end.

In Constant Solidarity,

UAW Local 2151

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