

Reaction to Chrysler Bankruptcy

[Jon Erickson](#)

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Employees of Chrysler going to sleep with their company in bankruptcy.

The hope from President Obama, Governor Granholm and Chrysler stakeholders is that the process will be brief.

It all comes down to the plan when it comes to keeping this bankruptcy brief, and it's no surprise that the state is holding its breath.

"We will continue to make sure Michigan citizens will be protected. And we're going to be alright," said Governor Granholm.

All Chrysler factories will be idled Monday until a partnership with the Italian automaker Fiat is finalized.

That process could last up to 60 days.

Some workers in Warren were sent home earlier on Thursday, after Chrysler suppliers stopped shipping parts.

As far as keeping this bankruptcy brief, Chrysler counts the leader of the free world as a supporter.

"I'm supporting Chrysler's plans to use our bankruptcy laws to clear away its remaining obligations," said President Obama.

The government will give the automaker \$8 billion to smooth that process.

The President added that some hedge fund holdouts forced the administration to play the bankruptcy card.

"They were hoping that everybody else would have to make sacrifices and they would make none. Some demanded twice the return that other lenders were getting," said President Obama.

One local economist said those hedge funds could represent, at least in part, the money of normal people and their pensions.

"I don't know any pensioners that say it's ok to send me sixty cents on the dollar in this month's check," said Patrick Anderson, President of the Anderson Economic Group.

Chrysler CEO, Robert Nardelli, says he will leave the company after it emerges from bankruptcy.

Before that happens, Chrysler has to start working again as a business.

"We'll get through this and again come out with a vibrant, leaner and certainly more agile company," said Nardelli.

The governor admits that bankruptcy was the final option, but it comes with at least a sense of stability.

"I don't think a bankruptcy is good for Michigan. I do think that certainty is good for Michigan. The support of the Federal Government is good for Michigan," said Governor Granholm.

The hope is that the partnership with Fiat will allow Chrysler to sell smaller, more fuel-efficient cars that will boost sales in our still gas-conscious country.