



WMU President Diether Haenicke

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Diether Haenicke
Western Michigan University

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The high and mighty give themselves bonuses, while the rank-and-file suffer

*By Diether Haenicke
February 02, 2009*

Before I read the daily papers, I light the fireplace, polish my reading glasses, and make myself a nice cup of tea. It is a comfortable, cozy routine, but on some days the news just blows me away.

On Jan. 27, I read on the front page of the Kalamazoo Gazette the big news story of the day: [Pfizer, the world's largest pharmaceutical concern, is buying Wyeth](#), a somewhat smaller drug company, in an \$86 billion stock-and-cash acquisition. The combined companies will be the largest drug-making company ever, with over 129,000 people employed worldwide.

The two chief executives of Pfizer and Wyeth, Jeffrey Kindler and Bernard Poussot, graced the front page, smiling broadly and happily, full of good cheer and proud of this historic event, as they announced the deal at a news conference in New York.

Both executives draw an income of more than \$1 million each month; are they, perhaps, the only ones smiling?

Further down in the announcement of this glad event, mention was made of Pfizer's planned cost-cutting initiatives. The firm will cut 10 percent of its workforce, i.e. about 8,200 people. Pfizer will also abandon five of its manufacturing sites. A spokesperson said that it was far too early to know what the cuts may mean for Kalamazoo.

I find that very hard to believe. I don't think that managers enter such significant plans without having pretty clear ideas what consequences will follow. Every time a Kalamazoo-based bank or company was acquired, merged, or transferred in the past, an up-beat spokesperson assured us that things would, more or less, stay the same, no major changes were anticipated, and matters would pretty much be the way they were before. Total baloney! Spokespersons are not supposed to let any rain fall on the merger/acquisition parade. But no matter how radiant and happy the faces of the company chiefs in the newspapers, behind each such story lie the enormous tragedies of jobs lost, lives unsettled and hopes crushed.

I set the Gazette aside and leafed through The Wall Street Journal. More news, all on the same day. Microsoft plans to slash 5,000 jobs. Caterpillar job cuts hit 20,000. Philips Electronics is to shed 6,000 workers. Home Depot retrenchment cuts 7,000 positions. Sprint Nextel will cut 8,000. Texas Instruments trims 3,400. IBM slashes 2,800 jobs in sales. GM will lay off 2,000 more workers this spring. Sony to cut 16,000. Intel expects 5,000 to 6,000 soon to be out of work. Tears, despair, agony, torment all around among workers, but never in the executive suite.

A few pages later was a report about how the head of a failed big investment firm rushed to pay out the 2008 bonuses to the company's executives before it would be noticed. He himself spent hours lobbying his board for a sizeable multi-million dollar bonus for himself, although his company went under.

Another story: AIG, another failed company that asked for and received a \$150 billion bail-out from an unbelievably generous and gullible U.S. government, took \$619 million to distribute bonuses to 4,200 employees, ranging from \$92,500 to \$4 million.

How can one have confidence in the latest \$850 billion "stimulus" package that the U.S. House of Representatives just approved? This is tax money, dear legislators. It is not "your" money. Our children's and our grandchildren's futures are mortgaged away and unfathomable sums of money are handed over to essentially the same people who ruined the global banking system, who accumulated "toxic assets," and filled their pockets in the process in an unprecedented display of reckless greed and selfishness.

The paper reports that nine out of ten top executives of failed banks and investment companies are still in their jobs. Two prominent and old-fashioned financiers, a German and a Frenchman, took their own lives in view of the financial disaster for which they felt partly responsible. Most of their colleagues, however, keep hustling for bonuses -- shameless, unrepentant and making a sad, disgusting spectacle.

The daily news overwhelmed me. I set the papers aside and went back to reading a book about Albrecht von Wallenstein, duke of Friedland, Sagan and Mecklenburg, which contains a historic account about inflation and doubtful financial practices in 17th century Bohemia. It is so much easier to read about the avarice of the mighty and the suffering of the poor several centuries later.

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