

Ask Not for Whom the Ding Dong Tolls...

Written by Alex Baer

Monday, 19 November 2012 21:52

Mitt Romney would approve of the current business meme: When management executives decide to stage a feeding frenzy on a company's wealth, ala Bain, it's best to chum the waters first, letting everyone know it's really someone else's fault. Labor unions, say.

If you look hard enough, in fact, you'll eventually see that labor unions are the cause of global climate change, Hurricane Sandy, the wars in Iraq and Afghanistan, the Dubya- and Reagan-era federal deficit spending sprees, rising gas prices, Fukushima, fracking, the BP disaster in the Gulf, unhelpful phases of the moon...

No, the latest bit of mind-altering news isn't coming from the states of Colorado and Washington where marijuana's just been given a thumbs-up by the population -- it's coming straight from the Hostess Financial Fabrication Factory, with management at the controls, running the Golden Story Machine full blast.

Hostess, of course, is in another round of financial straits. Management moans once again it's simply unable to weather a strike by union bakers.

The strike was called after Hostess management offered a contract that cut pay 8 percent -- this, after union members had continued to make concessions to help the company along through tough times.

The union also says the contract offered added insult to injury, cutting benefits by 27 to 32 percent.

Once again, though, it's the fault of the greedy old union and its workers that these people have lost their jobs. That's the peg on which the news stories are all being hung. Reports generally fall in line, wherever you see them, that the demise of Hostess is the workers' fault, not the looting of the company by management.

No, you won't see many stories that the CEO gave himself a whopping raise tripling his pay,

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and gave nine other executives raises that ran the gamut from half-again to more than twice their original pay -- all before deciding bankruptcy was the only way to go.

You probably won't read much about the company stopping payments into the employee pension fund, and being 150 million dollars or more behind.

You probably won't see much about the role of hedge funds in the Hostess demise, nor about the debt load purposefully heaped onto the company for years.

You probably won't hear much about vampire-vulture capitalists sucking all the blood and marrow from the company, and then being allowed to move on, after all the assets have been striped from company bones.

You probably won't be reading much about the company filing bankruptcy to handily dismiss its intentionally-heaped debts.

You probably won't be seeing much about the people who show up to buy the assets and brand names for a few pennies on the dollar, then start up a new company all over again. Many of those people are *probably-likely* to be -- *surprise!* -- Hostess corporate execs, doubling back around for yet another run at even more golden eggs from this particularly *goosed* goose.

By then, of course, the merry-go-round of corporate bankruptcy laws might be changed to disallow such Romneysque gutting and pillaging, and assorted, sordid sleights of hand -- rules allowing parasites to feast at the healthy end of the host, then cashing out its assets at the opposite end, creating a dry husk of a company corpse.

But, don't hold your breath. See, right now, that's the way you make your millions in America: Move the chips around, make your pile higher and safe, then push everything else over and let someone else sweep up your mess and pick up the check.

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Unless you have an MBA and have spent time at Bain or Hostess, or a thousand other former companies now located in China, you're not likely to read or ever encounter that dandy millionaire's blueprint.

In the meantime, of course, it's the union's fault. That's the billionaire-and-bloodsucker-bought take-away for *you* today.

Any stories about *changing American tastes driving down demand* being at the bottom of this story are just bonus frosting on the millionaire's cake.

Execs will be happy to tell you how the Devil Dogs're in the details, and to lament with you their oh-so-sad tale of how management executives really, really tried -- and how they might have succeeded, if it wasn't for those darned unions.

The execs won't even bother to wipe the smile -- or the blood -- off their mouths first.

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Will there be a rush to save Hostess under a "Too Sweet to Fail" banner? Will there be a last-minute push to create an eternal flame, of sorts, in a monument to snacks that have given their lives -- an Everlasting Twinkie Memorial?

Or, will the brand names be legally scooped up by key execs, on the cheap, and the goods be reintroduced in a few weeks, once baking commences again in India, China, and Malaysia? (If so, any guesses how much melamine, ground glass, fertilizers, or pharmaceuticals may be baked right in, too?)

Stay tuned. I'm sure our corporate sponsors will keep us well informed.

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Timing is everything, of course. In another few months, Washington's and Colorado's legally, pot-fueled *munchies* might have been able to help lift Twinkies, Ho-Hos, and Ding Dongs up out of its doldrums.

It's tempting, and even amusing, to wonder if an infusion of more *bread* would have helped. But, it's really not a very realistic question. The termites had already, long ago, burrowed into the healthy foundations of Hostess, disguised as corporate executives.

Can we live without Hostess and its goodies? *Sure*.

Can we live without truth, full and relevant details in media reporting, sane and revised corporate law, and the continued existence of labor unions? Well, now -- that one's more a bit more complicated.

Right now, it appears all of them have a Sno Ball's chance in Hell.

The Deep Twinkie: <http://management.fortune.cnn.com/2012/07/26/hostess-twinkies-bankrupt/>

The Usual Frosting Spin:
http://www.upi.com/Business_News/2012/11/16/Hostess-files-to-liquidate-company/UPI-17251353089940/?spt=htsv=5

Bonuses for Bankruptcy: <http://www.washingtonpost.com/business/hostess-moves-to-liquidate>

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[-as-us-seeks-trustee-control/2012/11/19/46e98922-326d-11e2-92f0-496af208bf23_story.html](#)

... and bonuses to help wind down the joint: <http://www.chicagotribune.com/business/breaking/chi-hostess-seeks-bonuses-for-key-manager-in-liquidation-filing-20121119,0,22735.story>

How sweet those bonuses are! <http://gawker.com/5961444/dont-worry-hostess-top-executives-still-got-richer-as-company-collapsed>

Think we'll find buyers at our forced fire sale, boys? <http://abcnews.go.com/blogs/business/2012/11/twinkies-may-find-buyer-hostess-ceo-says/>

Court says try again: <http://www.bbc.co.uk/news/business-20402361>

Time for Twinkie Whimsy! <http://www.npr.org/blogs/thesalt/2012/01/11/145068773/10-things-to-do-with-a-twinkie>