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September 14, 2009

SENT BY FAX – 313-667-3122

Fritz Henderson  
President and Chief Executive Office  
General Motors Company  
300 Renaissance Centre  
Code 482-C39-B30  
Detroit, MI 48265

Dear Mr. Henderson,

All of GM's stakeholders have endured an incredibly challenging and worrisome period, as the company grappled with the economic effects of the global financial crisis and began to rebuild. The members of the CAW who work in your Canadian facilities have contributed mightily to that rebuilding process – not only through the painful changes in compensation and work practices which were negotiated earlier this year as part of your restructuring process in Canada, but more importantly through the superior quality and productivity with which they perform their daily tasks. We understand that it will take time and commitment to turn around GM's fortunes, but that task is essential for all of us.

However, I can hardly express the sense of anger and betrayal that thousands of our members felt on Friday when seeing news that the pay cuts which were imposed on GM's white-collar managers as part of the restructuring earlier this year will now be reversed effective September 1.

Our members are furious at this one-sided decision to reward white-collar managers for the company's initial recovery. Meanwhile, GM's production workforce – the ones who, I remind you, build the cars which we want North Americans to buy again – labour on in the face of reduced compensation and intensified working conditions.

I have great respect for the skills, work effort, and dedication of GM's management staff, and I do not ignore their essential contribution to the future of the company. And I understand that other portions of their compensation bundle (including their pension and health benefits) have been reduced during the restructuring, and remain that way.

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But surely your executive team must have been able to imagine the reaction which this unilateral and unbalanced decision would spark among those GM employees who have been excluded from this "good news." We have worked so hard in recent months to maintain the confidence that the contract changes our members in Canada overwhelmingly approved earlier this year were appropriate and justified, given the circumstances. Then, for our members to watch as their managers have their compensation restored, creates an understandable feeling among many that we have been taken to the cleaners.

I would like to hear your justification for the restoration of compensation for non-union white-collar management staff, in contrast to the continued reductions which are being borne by unionized production workers. I do not accept the logic that the restoration was necessitated by "market conditions," nor that these managers were being "lured away" by competing employers. Given the overall state of employment conditions (including for white-collar staff) in the North American automotive and manufacturing sectors, and in the regions (such as Michigan) where your office staff are concentrated, this is empirically impossible.

I would also like to hear specifics of your planning timetable for when you foresee restoring the compensation reductions which our members have accepted.

An adequate response on these questions would be of great interest to our understandably angered members.

I look forward to continuing to work with you and your team as General Motors continues to rebuild.

Yours sincerely,



Ken Lewenza  
National President

cc: Cheryl Ollila, General Director Labour Relations  
Members of the GM Board of Directors

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