

An open letter from GM CEO Fritz Henderson

By Rocco Parascandola
 Newsday, May 1, 2009

An Open Letter from GM Chief Executive Fritz Henderson

Today marks a defining moment in the reinvention of GM. In the face of an economic crisis that has caused enormous disruption in the auto industry, we have reached ground-breaking agreements with the U.S. Treasury, the Canadian and Ontario governments, and the UAW and CAW unions, and we have the support of a substantial portion of GM's bondholders. These agreements allow us to launch a leaner, quicker, more customer-focused and cost-competitive New GM.

The court-supervised process we are pursuing to launch the New GM provides us with powerful



tools to accelerate and complete our reinvention, as well as strong safeguards for our customers and our business.

Worldwide, GM dealers are open for business, offering competitive financing options on our award-winning vehicles, continuing to honor our industry leading

warranty coverage, and providing outstanding service. Furthermore, the U.S. and Canadian governments have issued their own strong votes of confidence by backing GM's vehicle warranties. Further, customers and dealers have access to financing from a stronger GMAC.

The New GM will have a dramatically stronger balance sheet, with far less debt, which will allow us to better invest in our business and our future. It will have fully competitive labor costs and the ability to generate sustained and positive bottom-line performance.

From day one, the New GM will be well-positioned to capitalize on the award-winning vehicles we have developed and launched during the past few years, and on our investments in exciting new technologies like the extended range electric Chevy Volt, so that we can build and return value to our customers and to the millions who will have a stake in our success.

As a long-term global leader in the development of fuel-efficient and advanced technology vehicles, the New GM will contribute to the development of advanced engineering and manufacturing capabilities in the United States and Canada, which are critical to the future of our economies.

We recognize the sacrifices



that so many have been asked to make as we have worked to reinvent GM and the automobile. GM deeply appreciates the support and the demonstration of confidence in our future by President Obama, the Presidential Task Force on Autos, the Canadian and Ontario governments, American and Canadian taxpayers, a substantial portion of our bondholders, the UAW and CAW and their leadership and the men and women of GM, including our retirees. You have enabled us to carry out this vital transformation for the good of GM, our customers and the economy, and we are working to justify your trust each day.

Our products are our future, and our lineup of new cars and crossovers are a great foundation for success. We are focused on the job at hand, for the benefit of our customers, employees, dealers, suppliers, retirees, taxpayers, investors and other stakeholders. The New GM is here to stay.

Announced Plant Closings

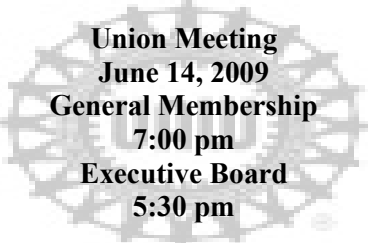
Assembly Plants	Affected Date*	Stamping Plants	Affected Date
Lake Orion	Standby – 9/2009	Grand Rapids	Close - 6/2009
Pontiac	Close – 10/2009	Indianapolis, IN	Close – 12/2011
Spring Hill, TN	Standby – 11/2009	Mansfield, OH	Close – 6/2010
Wilmington, Del	Close – 7/2009	Pontiac	Standby – 12/2010
Powertrain Plants	Affected Date	Service Parts Plants	Affected Date
Livonia Engine	Close – 6/2010	Boston, MA	Close – 12/2009
Flint North Components	Close – 12/2010	Jacksonville, FL	Close – 12/2009
Willow Run Site	Close – 12/2010	Columbus, OH	Close – 12/2009
Parma OH. Components	Close – 12/2010		
Fredericksburg, VA Components	Close – 12/2010		
Massena, NY Castings	Closed – May 1, 2009		

*Affected date could change as market conditions dictate

Informational Websites

www.gm.com/restructuring

www.gmreinvention.com



Union Meeting
June 14, 2009
General Membership
7:00 pm
Executive Board
5:30 pm

Your help is needed one more time . . .

Last week I was asked to go to the Michigan Capitol to lobby for two bills that would bring \$138 million of Federal stimulus money into Michigan to pay for unemployment extensions. One extension would be for workers that are in a training program; allowing them to finish the training AND receive unemployment benefits while doing so. The second extension is for people that take part time jobs due to lack of work and lose their unemployment benefits; essentially punishing them for working. The Federal government has attached the strings that these two extensions are in place before releasing any of the \$138 million to Michigan.

While at the Capitol, I heard the Senators saying that they were worried about the cost to businesses down the road. They said that they were not going to allow the federal government to force them into new laws. There are too many strings attached

to the \$138 Million.

My answers to them were:

- I find it discouraging that you are so worried about the cost to businesses 4 or 5 YEARS down the road while unemployed workers in this state are worried about what food they are going to be able to put in front of their children 4 or 5 DAYS down the road!
- If the state legislature had taken action prior to the federal government laying out the stimulus plan, the state might not be in the sorry shape it is in now.
- The attached strings are laws. The legislature writes laws. That is what you do for a living. When the federal money runs out, write another law revoking the programs; end of story. Your pre-

cious business community will not have to pay a cent!

As you can imagine wide eyes and slack jaws followed the unemployed shop rat tearing the Senators new ones in their offices. Now I need your help. These senators said they would not even bring it to a vote. That means leaving \$138 million that could come to the state of Michigan in D.C.

I need you to contact your state senator. Now here is the best part, I will write a letter to your senator for you! All you have to do is call the union hall at (517)372-4626 and leave your name and phone number with one of the secretaries and I will call you, read you the letter, and send it out. That is it! One phone call will do it all.



Saving GM from bankruptcy with a stroke of a pen.

By Jerry Kroth

The media constantly bombards us with one set of facts, but the other gets little play. We hear about GM struggling, bailouts, bankruptcy, massive layoffs, and how Toyota, Honda, and Nissan will fill the vacuum created by any GM or Chrysler bankruptcy.

But what we don't hear ought to pique your interest: Last year Japan imported a whopping 8,000 Fords. That's right, 8,000 Fords were sold in Japan while Toyota sold two million automobiles here. Honda sold a million. According to Frank Fillipo of Autoblog, poor GM only sold a paltry 2,000 cars in Japan last year.

Why? Well, the average GM car in the US costs about \$25,000, but in Japan, the same car costs \$50,000. A big mark up, plus tons of other obstacles and restrictions. No one calls that protectionism, but that is exactly what it is, and what it has been for years.

"Oh," you say, "American cars are just not competitive with the Japanese!" Get real. There is an overwhelming pressure to keep all foreign imports out of Japan, whether its so-called "inferior" American cars, "infected" Washington apples, or "tainted" American meat. Time to look beyond the propaganda. Eleven Saturn vehicles were sold in Japan—a car made jointly by the U.S. and Japan—and a piddling twelve Rolls Royces saw buyers in Tokyo. I guess Rolls Royce is considered inferior as well.

Peter Mandelson, the EU's external trade commissioner said last week that Japan was "the most closed developed market in the world and that imbalances . . . were truly staggering." It isn't the lack of quality of American cars folks; it is the

social pressures within Japan and the complex layer-cake of bureaucratic restrictions that keep all imports marginalized, not just our cars.

To be specific: The Japanese car market of 4.5 million vehicles begrudgingly allowed only 6 percent of their car market to be made up of non-Japanese manufactured vehicles. In South Korea, the situation is even worse. It imported 9,000 US cars but sold 800,000 cars in ours. If you think a Kia outperforms a Malibu, you're not firing on all cylinders.

Imagine a refreshing change: equality, balance, fairness, a new law requiring that Japanese and Korean car manufacturers only allowed to sell the same percentage of cars in the US that they reluctantly import into their countries—in other words, the playing finally leveled!

Well guess what would happen: GM, Ford, and Chrysler would start filling the vacuum created by the sudden absence of Toyotas, Nissans, and Hondas from American showrooms instead of the reverse. If Japan could only sell to us what it purchased from us, it would be limited to 6 percent of the US car market and not a fraction more, and Korea would be limited to two percent.

Thousands of American jobs would be saved; thousands more created. Inner cities would come back to life. Foreclosures and evictions in Flint would stop. The rust belt would experience a renaissance. Detroit would rise from the ashes and re-open its schools—last week it closed twenty-five percent of its elementary schools due to its own financial implosion.

Instead of Detroit, let's have Toyota City take it on the chin for a change.

A simple solution indeed! Let's call it the Automobile Import-Export Fairness

Act. Sure the Japanese would yell, scream, and protest that they had to start letting their showroom dealers sell Fords and Chevys at competitive prices. Maybe a trade war would start; maybe they'd cash in their T-bills. But it is just as likely that the bigwigs of Toyota, Nissan, Honda, and Kia would hurriedly ask parliamentarians to open up markets immediately to allow more American cars to be sold there so their cars could be sold here. Otherwise, they'd lose market share, big time!

Isn't it time we saw Toyota lose market share to GM instead of the reverse?

Certainly a thought. A thought for every UAW worker facing a layoff, every Michigander fearing loss of his job, pension, and home, and every elementary school child in Detroit watching his teacher fired as his school is boarded up.

Maybe Congress, and the media are opposed, but in the days of Jimmy Hoffa and Walter Reuther, a healthy strike by autoworkers and sympathetic truckers could shut our country down until we saw some real action. Maybe its time to clog the turnpikes, slow interstate commerce to a crawl, and demand that fairness in trade finally become real. If now is not the time, well, just how close does the patient have to get to death before we decide to stop the bleeding?

Jerry Kroth is an associate professor of psychology at Santa Clara University in California and a former Detroit.



It's Coming to Lansing LDT!