OPEN LETTER TO CHRYSLER WORKERS

April 30, 2009

Dear Brothers and Sisters:

These have been incredibly dramatic, frightening times for Canada's auto industry. We know that you and your families have been worrying about what will come next. We would like to provide you with a short update on recent developments, and to share with you what we know about what is likely to occur in the coming days.

First, we were incredibly proud of the united actions of CAW members over the past weeks as we bargained and then ratified our new contract with Chrysler. Our members stood firm against the crude threats which were directed against us by both corporate executives and government officials.

Once your elected bargaining committee had done the absolute best job possible in holding the line in a new contract, you came together in an inspiring expression of solidarity. The ratification meetings last weekend, where 87% of CAW members at Chrysler approved the new contract, were a powerful signal to the company and to government that CAW members support their union.



Thank you for the respect and the solidarity which you have shown. By sticking together through these tough times, we have made ourselves stronger for the battles that still lie ahead.

Thanks to the new contract, Chrysler has committed in writing that it will not seek additional contract changes from us, even if the company eventually enters bankruptcy protection. The Canadian government has also approved the new contract.

We are nowon top of the April 30 deadline which U.S. President Obama established for Chrysler's overall restructuring plan. We do not know what will happen in the next crucial days.



There is clearly a good chance that Chrysler may end up filing for bankruptcy protection with the U.S. courts (under their Chapter 11 laws). We emphasize: *This does not mean that Chrysler is bankrupt*. It means that Chrysler is receiving court assistance to escape some of its debts (especially what it owes to bondholders and other financial investors). The plan is that Chrysler would merge with Fiat, eliminate much of its debt, restructure some of its operations, and then carry on as a normal business – perhaps in as little as 30 days.





This may involve splitting the company into two parts: an "old company" (which is liquidated) and a "new company" (which carries on business). We have been assured by both Chrysler and Canadian government officials that as a result of our recent agreement with Chrysler and the Canadian government's financial support, all Chrysler facilities operating in Canada would be part of the "new company." Our current operations will all be protected (including Etobicoke, which now will stay in operation until at least 2012).

If Chrysler files for Chapter 11 protection in the U.S., this may or may not result in similar actions in Canada (filing for Canadian bankruptcy protection under our CCAA laws). Chrysler has less debt in Canada, and so might be able to avoid CCAA even if it enters Chapter 11 protection in the U.S.

Do not panic if Chrysler files for bankruptcy protection in the U.S. or Canada. Together we have positioned ourselves well in Canada to be part of the new company which will eventually emerge from this process.

The CAW will continue to use all of our legal and bargaining resources to protect the interests of Chrysler workers, retirees, and their families in the weeks ahead.

And we will keep fighting for better economic policies – including a national auto strategy, regulations on the financial industry (which created this mess in the first place), and limits on the one-way flood of imports which is destroying our auto industry – so that our whole industry can emerge into a brighter future.

Thank you again for your continuing support and solidarity. Together we are making a difference.

In solidarity.

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CAW National President

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