



UPDATE: GM CUTTING 10,000 JOBS, REDUCING PAY

General Motors, the largest US automaker, will cut 10,000 salaried jobs globally, and reduce pay by as much as 10% to prove its viability to keep \$13.4 billion in government loans. About 3,400 of GM's 29,500 US salaried workers will on the street by May 1st. US salaries will be cut temporarily by 10% for executives and by up to 7% for most others. GM CEO Rick Wagoner, who reduced his annual salary to \$1, is reviewing salaries and benefits abroad. GM must submit to the Treasury Department by February 17th a plan to reorganize, restore profit and repay US loans by the end of 2011. Advisers to GM, the United Auto Workers and bondholders are in meetings this week in Detroit to negotiate agreements that cut unsecured debt by two-thirds and win concessions on labor costs. GM rose 7 cents, or 2.5 percent, to \$2.90 at 10:59 a.m. in New York Stock Exchange composite trading. A year ago, the stock traded for \$25.80. GM's 8.375 percent note due in July 2033 gained 0.188 cent to 14 cents on the dollar, yielding 59.5 percent, according to Trace, the bond-pricing service of the Financial Industry Regulatory Authority. GM started offering buyouts to 62,000 union workers last week and is in talks with the UAW about trimming benefits.

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