

GM to cut 8,000 more jobs, drop Pontiac

by UPI

DETROIT -- General Motors Corp. will shed up to 8,000 more U.S. jobs, cancel its Pontiac brand and drop 2,600 dealerships, the Detroit automaker said Monday.

The moves, to be accomplished by next year, are part of a revised restructuring plan developed in conjunction with the Obama administration, the Detroit Free Press reported.

The new layoffs would bring the total number of non-salaried jobs eliminated by GM under the plan to 21,000, the newspaper said.

The plan envisions persuading bondholders, who possess \$27 billion in GM debt, to exchange their notes for a 10 percent equity stake in a restructured General Motors. If not, company officials warned, GM will file for bankruptcy by June 1.

"We are taking tough but necessary actions that are critical to GM's long-term viability," said Fritz Henderson, GM president and CEO. "Our responsibility is clear -- to secure GM's future -- and we intend to succeed," he said.

"We will continue to work with GM's management as it refines and finalizes this plan and with all of GM's stakeholders to help GM restructure consistent with the president's commitment to a strong, vibrant American auto industry," the White House auto industry task force said in a statement.

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