

# GM to cut 10,500 more jobs by year's end

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General Motors (GM) announced Wednesday that it will lay off 10,500 more workers by January 1 in order to meet the terms of its “restructuring” plan, which was forced on the largest US automaker by the Obama administration’s Auto Task Force in the summer.

The next round of layoffs results from the failure of buyout and early retirement schemes that “fell short of our expectations,” CEO Fritz Henderson said on Wednesday.

“As we continue to close or place plants on standby capacity that we’ve identified, we will place employees on indefinite layoff,” GM spokesman Chris Lee told reporters.

GM announced that it has already cut its hourly and salaried workforces by 21 percent and 18.2 percent, respectively. There are now only 49,200 hourly GM workers. Most of the remaining cuts are likely to come from positions held by hourly workers, which will reduce GM’s hourly workforce to about 40,000. In the early 1980s, GM had a workforce estimated at about 350,000, the vast majority of these hourly workers.

“We are knocking some of these things off, and we are staying focused on getting the rest of these matters behind us by the end of the year,” Henderson said.

Workers on layoff can earn about 75 percent of their wages for not more than two years through a combination of GM severance pay and state unemployment benefits, the *Detroit Free Press* reported.

So far this year, GM has shed 575 dealerships, leaving 200 more to close in order to meet its year-end goal. These closings have also resulted in thousands of layoffs. More dealers are likely to close due to the pending collapse of the Saturn brand. An effort to sell the Saturn brand to a consortium of dealers led by Roger Penske recently fell through, after French automaker Renault, which would have supplied models to dealers, backed out.

Henderson also said he expects auto sales to remain anemic in 2010. The total market for new cars will be 11.5 million, he said, off by more than 28 percent from the 16 million sold in 2007. In an interview with MSNBC, Henderson also acknowledged that the automaker is not yet turning a profit, in spite of its massive restructuring.

Once the icon of US industrial might, GM was forced into bankruptcy by the Obama administration in July and emerged 40 days later. The restructuring plan that was worked out resulted in massive job cuts, plant closures, pay and benefit cuts for current and retired workers, the sale or elimination of the Saturn, Pontiac, Hummer and Opel brands, and drastic reduction in dealerships.

The restructuring was, in short, a frontal assault on auto workers and their communities. The United Auto Workers union (UAW) served as an accomplice, telling workers the only way they could avoid GM’s bankruptcy and save their jobs was to vote for a massive concessions contract pushed by the union executives on the cusp of bankruptcy.

After the contract was passed, GM entered bankruptcy anyway, and workers’ jobs, wages, and benefits have been ruthlessly slashed.



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