

# GM Committed To Paying Back Taxpayer Loans

Dan Strumpf, AP Auto Writer

NEW YORK (AP) — General Motors Co. remains committed to repaying its billions of dollars in government loans, though it's too soon to say when that will happen, the automaker's chairman said Tuesday.

"Can GM pay back its loans? You bet," Ed Whitacre said during an address at Texas Lutheran University in Seguin, Texas. "I can't tell you when, but it won't be very long."

But Whitacre added that the company, which has received more than \$50 billion in taxpayer bailouts and is majority-owned by the U.S. government, has a long way to go before it's in "fighting shape" again.

Both the government and GM have said they expect the automaker to become publicly traded sometime next year. However, Whitacre said Tuesday the timing of any initial public offering of GM stock remains uncertain and depends on when the company returns to profitability.

Whitacre said a stable economy remains the "determining factor" for GM. He also said higher employment levels and a thaw in the credit markets were necessary for the company's business to improve.

"Increasing employment is the fastest and surest way to grow," he said.

Government investigators have challenged the likelihood that taxpayers will recoup their investment in GM and in Detroit rival Chrysler Group LLC. The Government Accountability Office said in a report issued last week that the automakers' value would have to soar to levels they didn't even approach when they were healthier for the taxpayer loans to be repaid.

However, Whitacre, who became GM's chairman after it exited bankruptcy in July, highlighted restructuring efforts made at the company, including work force and brand cuts. He also noted the company's modest lift in October U.S. sales — its first month-over-month sales increase in almost two years.

Whitacre also defended the company's last-minute decision this month to keep its Opel brand. The automaker had been in talks to sell a majority stake in the European brand to a group led by Canadian parts maker Magna International and Russian lender Sberbank. But GM changed its mind because its financial position had improved enough to warrant keeping the brand, Whitacre said.

"How could you be a global player and not play all over the globe?" Whitacre said. "Our financial fortunes had improved enough that we reexamined that."

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Whitacre, who is the former CEO and chairman of telecommunications giant AT&T, said he did not initially want to lead GM when he was approached with the offer. "I was retired. Why would I want to do that?" Whitacre said, but added that he changed his mind after reflecting on the need for a strong U.S. auto industry.

Whitacre noted that the government has largely kept its hands out of GM's day-to-day business despite its controlling stake, adding that was a condition for his accepting the chairman position.

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