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Tom Krisher, AP Auto Writer

DETROIT (AP) — Ford Motor Co., the only Detroit automaker to avoid bankruptcy protection, said Wednesday it will reduce its huge debt by another \$4 billion as it continues to show signs of financial strength.

The Dearborn, Mich., automaker will pay \$3.8 billion in cash to a United Auto Workers trust fund that pays retiree health care bills, and it will pay out \$255 million in dividends on preferred securities that had been deferred as the automaker worked its way through financial troubles.

Ford CEO Alan Mulally said in a statement that the payments are another sign of confidence that the company's restructuring plan is working.

"We expect to continue to improve our balance sheet as we deliver on our plan," Mulally said. "Our business results make it possible to take these actions while still accelerating the investments we are making in our business."

Ford shares rose 38 cents, or 3.8 percent, \$10.26 in morning trading.

The automaker said the actions combined with a \$3 billion debt payment in April will reduce its total debt to around \$27 billion from \$34 billion at the end of the first quarter.

Ford was forced to mortgage its factories and even its blue oval logo to borrow more than \$23 billion in 2006 and 2007. But the move helped it avoid bankruptcy protection, unlike Chrysler Group LLC and General Motors Corp.

Recently Ford has reported sales gains and four straight quarterly profits. It made \$2.1 billion in the first quarter, helped by higher transaction prices for its cars and trucks, which have been getting high quality ratings from third-party groups such as Consumer Reports magazine and J.D. Power and Associates.

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