

GM shares hit 74-year low

Shares of General Motors drop to lowest price in more than 70 years

By [Global Research](#)

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NEW YORK (AP) — General Motors Corp. shares on Friday tumbled to their lowest level in more than 70 years, pulled down by a drop in the broader markets and continued speculation about the future of the struggling automaker.

GM shares hit a low of \$1.52 in early afternoon trading, before rebounding to \$1.82 later in the session. The low matched a record set on July 26, 1934, according to the Center for Research in Security Prices at the University of Chicago.

The price is adjusted for splits and other changes.

The Detroit-based automaker's shares have been battered over the past year by worries about the viability of the U.S. auto industry and plunging sales stemming from the industrywide drop in demand for new vehicles.

GM shares were worth \$3.50 just a month ago and \$25.54 a year ago.

On Tuesday, GM said it would need a total of \$30 billion in federal aid in order to avoid filing for bankruptcy protection, up from a previous estimate of \$18 billion and including \$13.4 billion it has already received. It also said it would need to cut 47,000 jobs worldwide and close five more U.S. factories.

Analysts have said that regardless of whether the automaker receives additional government help or ultimately files for bankruptcy protection, its shares are close to worthless.

Joseph C. Amato of Buckingham Research Group said Thursday that a bankruptcy protection filing at the automaker would be in the best interest of everyone, especially the American taxpayer.

In a note to investors, he backed his "Underperform" rating for the GM and cut his price target to \$0 from \$1.

Amato called GM's restructuring plan "worthless" because it doesn't reduce the company's debt, eliminate its legacy costs or make its labor agreements more competitive.

Also on Friday, GM's Swedish-based subsidiary Saab went into court protection from creditors so that the unit can be spun off or sold.

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