

Report of
General Motors Corporation

FOR THE

Fiscal Year ended December 31, 1918.

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Report of
General Motors Corporation

FOR THE

Fiscal Year ended December 31, 1918.

GENERAL MOTORS CORPORATION

Board of Directors

PIERRE S. DUPONT, *Chairman*

A. G. BISHOP	F. W. HOHENSEE
W. P. CHRYSLER	L. G. KAUFMAN
R. H. COLLINS	J. H. McCLEMENT
W. L. DAY	R. S. McLAUGHLIN
H. F. DUPONT	C. S. MOTT
IRENEE DUPONT	J. J. RASKOB
LAMMOT DUPONT	A. P. SLOAN, JR.
W. C. DURANT	EDWARD VERLINDEN
J. A. HASKELL	F. W. WARNER

Finance Committee

J. J. RASKOB, *Chairman*

H. F. DUPONT	LAMMOT DUPONT
IRENEE DUPONT	W. C. DURANT
PIERRE S. DUPONT	J. A. HASKELL

Executive Committee

W. C. DURANT, *Chairman*

W. P. CHRYSLER	F. W. HOHENSEE
R. H. COLLINS	R. S. McLAUGHLIN
W. L. DAY	A. P. SLOAN, JR.
J. A. HASKELL	EDWARD VERLINDEN

F. W. WARNER

Officers

W. C. DURANT, <i>President</i>	New York
A. G. BISHOP, <i>Vice-President</i>	Flint
W. P. CHRYSLER, <i>Vice-President</i>	Flint
R. H. COLLINS, <i>Vice-President</i>	Detroit
W. L. DAY, <i>Vice-President</i>	Pontiac
J. A. HASKELL, <i>Vice-President</i>	New York
A. W. HIGGINS, <i>Vice-President</i>	New York
R. S. McLAUGHLIN, <i>Vice-President</i>	Oshawa, Ont.
C. S. MOTT, <i>Vice-President</i>	Flint
J. J. RASKOB, <i>Vice-President</i>	Wilmington
A. P. SLOAN, JR., <i>Vice-President</i>	New York
EDWARD VERLINDEN, <i>Vice-President</i>	Lansing
F. W. WARNER, <i>Vice-President</i>	Pontiac
T. S. MERRILL, <i>Secretary</i>	Detroit
H. H. RICE, <i>Treasurer</i>	Detroit
M. L. PRENSKY, <i>Comptroller</i>	Detroit

REPORT TO THE STOCKHOLDERS
OF
GENERAL MOTORS CORPORATION
For the Fiscal Year ended December 31, 1918

DETROIT, MICHIGAN, APRIL 9, 1919.

TO THE STOCKHOLDERS:

Your directors submit herewith the annual report of General Motors Corporation and its subsidiary companies for the fiscal year ended December 31, 1918.

The income and profit and loss accounts include the earnings and surplus of the Corporation and its share of earnings and surplus of subsidiary companies.

INCOME ACCOUNT FOR TWELVE MONTHS ENDED
DECEMBER 31, 1918.

Net profits after deducting all expenses of manufacture (including maintenance), selling and administration, as well as ordinary taxes, insurance, and depreciation	\$35,504,576.41
Less: Provision for Federal taxes and extraordinary expenditures..	<u>20,113,548.19</u>
	<u>\$15,391,028.22</u>
General Motors Corporation proportion thereof.	\$14,825,530.19
Preferred dividends for 12 mos. at rate of 6% \$1,180,901.00	\$1,180,901.00
Debenture dividends for 5 mos. at rate of 6% 739,566.00	<u>739,566.00</u>
Undivided profits for 12 months ended December 31, 1918.	<u>\$12,905,063.19</u>

PROFIT AND LOSS ACCOUNT

Profit and Loss Surplus at the beginning of the year.....		\$11,508,392.57
Add undivided profits for 12 months ended December 31, 1918 (after making provision for all taxes and the payment of preferred and debenture dividend), as per Income Account shown on preceding page.....		12,905,063.19
Additions through acquisition of properties:		
Chevrolet Motor Company (of Delaware)	\$8,065,083.10	
United Motors Corporation.....	9,714,607.59	
Other Companies.....	653,100.98	
Profit from sale of new common stock	4,800,000.00	23,232,791.67
		\$47,646,247.43
Less: Cash Dividends paid on common stock:		
February 1, 1918— 3%	\$2,292,150.00	
May 1, 1918— 3%	2,292,567.00	
August 1, 1918— 3%	3,205,704.00	
November 1, 1918— 3%	3,446,889.00	11,237,310.00
Profit and Loss Surplus December 31, 1918		\$36,408,937.43

The net manufacturing profits of \$35,504,576.41 are after deducting the sum of \$4,616,344.37, to cover depreciation of buildings, machinery and equipment. The plants have been maintained in good operating condition.

These profits are exclusive of profits which accrued to the several companies in 1918, prior to their acquisition by the Corporation.

The combined profits of General Motors Corporation and subsidiary companies before deducting Federal taxes for the twelve months ended December 31, 1918, including the proportion of profits which accrued to the several companies in 1918, prior to the acquisition of the assets by the General Motors Corporation amounted to \$45,541,726.00.

Full charges have been included in operating expenses to cover all depreciation in inventories. Inventories at the close of the year were on a thoroughly conservative basis of valuation, being valued at or below cost.

The Condensed Consolidated Balance Sheet, as of December 31, 1918, as compared with December 31, 1917, is to be found on page 16 of this report. Income and Profit and Loss accounts for twelve months ended December 31, 1918, will be found on page 17.

The books and accounts of General Motors Corporation and subsidiary companies have been audited by Messrs. Haskins & Sells, Certified Public Accountants, for the fiscal year ended Dec. 31, 1918, and their certificate is shown on page 18 of this report.

There is included in the Consolidated Balance Sheet as of December 31, 1918, the assets and liabilities of the following divisions and subsidiary companies in addition to various sales companies with nominal capital.

GENERAL MOTORS GROUP:

BUICK MOTOR COMPANY DIVISION.....	Flint, Mich.
CADILLAC MOTOR CAR COMPANY DIVISION.....	Detroit, Mich.
CENTRAL FORGE COMPANY DIVISION.....	Detroit, Mich.
GENERAL MOTORS TRUCK COMPANY DIVISION.....	Pontiac, Mich.
JACKSON-CHURCH-WILCOX COMPANY DIVISION.....	Saginaw, Mich.
NORTHWAY MOTOR & MFG. COMPANY DIVISION.....	Detroit, Mich.
OAKLAND MOTOR CAR COMPANY DIVISION.....	Pontiac, Mich.
OLDS MOTOR WORKS DIVISION.....	Lansing, Mich.
SAMSON TRACTOR COMPANY DIVISION.....	Janesville, Wis.
SCRIPPS-BOOTH CORPORATION.....	Detroit, Mich.
CHAMPION IGNITION COMPANY.....	Flint, Mich.
THE McLAUGHLIN MOTOR CAR COMPANY, LTD.....	Oshawa, Ont.
THE McLAUGHLIN CARRIAGE COMPANY, LTD.....	Oshawa, Ont.
GENERAL MOTORS EXPORT COMPANY.....	New York, N. Y.
GENERAL MOTORS (EUROPE) LTD.....	London, Eng.
JANESVILLE MACHINE COMPANY.....	Janesville, Wis.

CHEVROLET GROUP:

CHEVROLET MOTOR COMPANY OF MICHIGAN.....	Flint, Mich.,
CHEVROLET MOTOR COMPANY OF NEW YORK, INC.....	Tarrytown, N. Y.
CHEVROLET MOTOR COMPANY OF TEXAS.....	Fort Worth Tex.
CHEVROLET MOTOR COMPANY OF ST. LOUIS.....	St. Louis, Mo.
CHEVROLET MOTOR COMPANY OF CANADA, LTD.....	Oshawa, Ont.
CHEVROLET MOTOR COMPANY OF BAY CITY.....	Bay City, Mich.
ST. LOUIS MANUFACTURING CORPORATION.....	St. Louis, Mo.
TOLEDO-CHEVROLET COMPANY.....	Toledo, Ohio

UNITED MOTORS GROUP:

DAYTON ENGINEERING LABORATORIES Co.....	Dayton, Ohio
HYATT ROLLER BEARINGS DIVISION.....	Newark, N. J.
JAXON STEEL PRODUCTS DIVISION.....	Jackson, Mich.
REMY ELECTRIC DIVISION.....	Anderson, Ind.
HARRISON RADIATOR CORPORATION.....	Lockport, N. Y.
NEW DEPARTURE MANUFACTURING Co.....	Bristol, Conn.
LANCASTER STEEL PRODUCTS Co.....	Lancaster Pa.

CAPITAL STOCK

The capital stock of the Corporation outstanding on December 31, 1918 was as follows:

Debenture stock, 6% Cumulative	\$ 29,175,300
Preferred stock, 6% Cumulative	19,671,000
Common stock	147,379,900

The changes since the last annual report, December 31, 1917 are:

Debenture stock increased	\$ 29,175,300
Preferred stock decreased	5,800
Common stock increased	70,506,600

which are explained as follows:

	Preferred	Debenture	Common
Shares exchanged for shares of preferred stock of General Motors Company (of New Jersey) ..	\$ 7,500		
Less: acquired in treasury through the purchase of The McLaughlin Carriage Co. Ltd.,	13,300		
Issued for Chevrolet Motor Co. (of Delaware) assets			\$28,268,400
Issued for United Motors Corporation assets		\$29,869,200	9,956,400
Issued for all of the capital stock of Chevrolet Motor Company of Canada, Ltd., The McLaughlin Carriage Co. Ltd., and the balance of the capital stock of The McLaughlin Motor Car Company, Ltd., not already owned by the Corporation			4,900,000
Issued for all the capital stock of Lancaster Steel Products Company and \$1,566,000 par value General Motors debenture stock		500,000	1,617,500
Issued in exchange for 22,975 shares of no par value Scripps-Booth Corp. common stock ..			381,200
Issued in exchange for \$387,100. par value of preferred stock of Harrison Radiator Corporation		387,100	
New issue common stock sold			24,000,000
Issued to employees under bonus plan, out of balance in treasury December 31, 1917			1,361,900
Issued for services			21,200
	\$ 5,800	\$30,756,300	\$70,506,600
Less: acquired in treasury through purchase of capital stock of Lancaster Steel Products Company	\$1,566,000		
Miscellaneous	15,000	1,581,000	
Increase in outstanding	\$*5,800	\$29,175,300	\$70,506,600

*decrease

INDEBTEDNESS

The Notes Payable of \$10,802,154.11 shown on the balance sheet, represent \$7,000,000 borrowed from banks on account of war business which has since been paid, and the balance of \$3,802,154.11 covers indebtedness assumed in the purchase of properties during the year all of which will be liquidated at maturity.

The other indebtedness of the Corporation on December 31, 1918, consisted of current accounts payable, of \$18,453,316.99 (composed wholly of obligations for merchandise, etc.), and \$3,769,865.29 liabilities accrued but not due, for pay rolls, ordinary taxes and other sundry items.

WORKING CAPITAL

The net working capital as shown by the balance sheet of December 31, 1918 amounted to \$149,902,028.70, as follows:

Current Assets:	1918	1917
Cash in banks and on hand.....	\$30,636,621.48	\$18,865,645.27
Liberty Bonds.....	28,852,018.00	1,255,000.00
Marketable securities.....	172,304.86	—
Sight drafts against B/L attached.....	3,316,384.90	7,590,279.25
Due from U. S. Government on War contracts	7,305,626.76	449,855.83
Notes (\$1,285,908.01) and accounts receivable	21,995,359.50	5,555,403.34
Inventories at cost or less.....	91,137,512.59	46,559,394.15
Total Current Assets.....	<u>\$183,415,828.09</u>	<u>\$80,275,577.84</u>
 Less Current and Accrued Liabilities:		
Current accounts payable.....	\$18,453,316.99	\$10,665,717.52
Notes payable.....	10,802,154.11	—
Taxes, pay rolls & sundries accrued, not due.	3,769,865.29	4,858,326.57
	<u>\$33,025,336.39</u>	<u>\$15,524,044.09</u>
	\$150,390,491.70	\$64,751,533.75
 From which deduct amount reserved for two months proportion of dividend on preferred and debenture stock, payable February 1.		
	488,463.00	196,768.00
Net working capital.....	<u>\$149,902,028.70</u>	<u>\$64,554,765.75</u>

It will be seen from the above that the net working capital has been increased during the year by \$85,347,262.95 of which amount \$27,164,610.04 represented the increase through the purchase of properties.

The investment in Liberty Bonds of \$28,852,018.00 represents a par value of \$30,238,993.00.

The large increase in the outstanding Accounts Receivable is due to the greater number of companies entering into the consolidation.

CAPITAL EXPENDITURES

Balance in real estate, plants and equipment at December 31, 1917, before deducting reserve for depreciation.....		\$40,086,374.34
Additions through purchase of properties:		
Chevrolet Motor Co. (of Delaware).....	\$13,471,758.42	
United Motors Corporation.....	23,414,149.62	
Other companies	3,719,426.95	40,605,334.99
Total		
Expended during the year (net).....		6,126,705.18
Balance in real estate, plants and equipment December 31, 1918		\$86,818,414.51

The expenditure of \$6,126,705.18, shown above, covers the first unit of the Central Forge Division plant in Detroit; the site for the Buick and Chevrolet assembly plants in St. Louis, Mo., the motor plant for the Olds Motor Works Division at Lansing; the site for the Samson Tractor plant at Janesville, Wis., and other miscellaneous expenditures for plant and equipment.

GOOD-WILL, PATENTS, COPYRIGHTS, ETC.

The increase during the year in Good-Will, Patents, Copyrights, Etc., is due to the acquisition of various properties, and is made up as follows:—

Chevrolet Motor Co. (of Delaware).....		\$6,998,991.06
United Motors Corporation.....		16,408,065.34
Other companies.....		610,333.55
Total		\$24,017,389.95
Less: Patents, agreements, etc. written off during the year.....		274,100.00
Increase.....		\$23,743,289.95

GENERAL

The net sales of General Motors Corporation and subsidiary companies for the twelve months ended December 31, 1918, (not including the sales of the companies purchased during the year prior to their acquisition) amounted to \$269,796,829.78. The net sales of all companies for the twelve months ended December 31, 1918, amounted to \$326,044,755.95. The number of cars, trucks and tractors sold during the year was 246,834.

The payrolls for the year 1918 aggregated \$52,500,000. The number of employes in the service of the Corporation and its subsidiary companies on December 31, 1918 was 49,118.

MANUFACTURE OF WAR PRODUCTS

Concerning the work done by the Corporation on war products, a word at this time may not be out of place. Of the twenty-three operating units, eighteen were engaged on government contracts. The gross value of the products actually completed was approximately \$35,000,000. At the time the armistice was signed, the orders and contracts in hand exceeded \$50,000,000. In the execution of these various contracts too much credit cannot be given the executive heads and employes who, in many instances, succeeded in reaching volume production in record time, regardless of seemingly insurmountable difficulties.

AMBULANCES AND TRUCKS

The United States had been at war hardly a month when the Truck Division received a large order for its Model 16 chassis to be used for ambulance mounts. During the Mexican trouble this chassis, in actual service, had proven to be especially well adapted to ambulance work and was adopted by the Medical Corps for all motorized units. In the Summer of 1918, after having spent months on the design of a new chassis for universal military service, the Army finally acknowledged the sterling worth of the G.M.C. Model 16 chassis by making it the standard $\frac{3}{4}$ ton chassis for all arms. General Motors furnished over 5,000 of these vehicles.

OFFICERS' CARS

The Quartermasters Corps, supplying the majority of the vehicles used by all branches of the service, early adopted the Cadillac as the standard officers' car. A total of 2,350 Cadillac cars practically standard in all respects were supplied.

ARTILLERY TRACTOR ENGINES

The Cadillac Eight-cylinder engine, with a few slight changes, was adopted by the Ordnance Department as the power plant for the 2½ ton artillery tractor. A total of 1,157 engines were supplied for this purpose.

LIBERTY MOTORS

In the production of Liberty motors for aircraft work, the Buick and Cadillac Divisions made an exceptional record. Regardless of the delayed start, due to the fact that the General Motors Corporation had been selected to build a special type rotary engine which was afterward abandoned, Liberty motors were being delivered within five months from the time the contract was taken. The high standard of excellence of the product of these Divisions has everywhere been recognized. At the time the armistice was signed, there were orders for over 10,000 Liberty Aircraft Engines on the books and 2,528 Liberty engines were actually completed and delivered.

TRENCH MORTAR SHELLS

The Jackson-Church-Wilcox Division, operating an entire plant on trench mortar shells, reached a production of 20,000 per day. This Division holds the record as the largest producer of these shells in America.

ADJUSTMENT OF GOVERNMENT CLAIMS

It is gratifying to report that war product operations were in such condition when cancellations were desired that at this date substantially every claim against the government has been satisfactorily adjusted.

TRACTOR BUSINESS

The development of the tractor business is continuing most satisfactorily, and notwithstanding the stoppage of active construction work on the first unit of the new tractor plant at Janesville, Wisconsin, in the Fall of 1918, due to the war, the production of Samson tractors in quantities is expected to be reached shortly. The future of this business is encouraging.

ACQUISITION OF PROPERTIES

During the year the Corporation acquired the following interests:

All the assets of Chevrolet Motor Company, a Delaware corporation, (except 450,000 shares of General Motors Corporation common stock) as of May 2, 1918, paying therefor \$28,268,400 par value of common stock.

All of the common capital stock (\$1,000,000 par value) of the Janesville Machine Company, Janesville, Wisconsin, on July 1, 1918, paying therefor \$1,000,000 in cash.

A controlling interest on July 1, 1918 in the no par value common stock of the Scripps-Booth Corporation, paying therefor through an exchange of securities on the basis of one share of General Motors common stock for six shares of no par value Scripps-Booth stock.

All of the capital stock of Chevrolet Motor Company of Canada, Ltd., The McLaughlin Carriage Company, Ltd., and the balance of the capital stock of The McLaughlin Motor Car Company, Ltd., not already owned by the corporation, as of November 1, 1918, paying therefor \$4,900,000 par value common stock and \$550,000 in cash.

All the assets of United Motors Corporation, subject to liabilities, as of December 31, 1918, paying therefor \$29,869,200 par value debenture stock, \$9,956,400 par value common stock, and 106,000 shares of United Motors stock owned by General Motors Corporation; plus an amount in cash equal to the dividends on the debenture and common stock subsequent to October 1, 1918.

All the preferred and common stock of Lancaster Steel Products Company and \$1,566,000 par value of General Motors debenture stock as of December 31, 1918, paying therefor \$1,617,500 par value common stock and \$500,000 par value debenture stock.

All of the (\$387,100 par value) Harrison Radiator Corporation preferred stock as of December 31, 1918, paying therefor \$387,100 par value debenture stock and \$38,710 in cash.

NEW ISSUE COMMON STOCK

In order to provide additional capital to meet the expansion program adopted by your Board, there was authorized an issue of \$24,000,000 par value of Common Capital Stock, which was sold without expense to the Corporation, for \$28,800,000 subject to the right of the common stockholders to subscribe therefor.

BONUS PLAN

The Corporation has adopted a bonus plan under which stock of the Corporation is distributed each year as a reward to its employees, including employees of subsidiary Companies, who have contributed to its success in a special degree, by their inventions, ability, industry, loyalty or

exceptional service. It is hoped thereby, not only to compensate services rendered, but also to encourage further efforts by making its employees partners in the Corporation's prosperity. Under the bonus plan, the amount which may be distributed each year is determined by taking 10% of the net earnings of the Corporation after deducting therefrom an amount equal to 6% on the capital invested. The bonus plan is in no sense a "profit sharing plan" in the meaning of that term as generally used. There was awarded for the year 1918, under this plan, a total of 24,334 shares of the common capital stock of the Corporation, at a cost to the Corporation of approximately \$2,798,410.

MISCELLANEOUS

The outlook for the coming year is most promising. Since the signing of the armistice and the subsequent liquidation of the war contracts, which your Corporation was engaged in, the plants and facilities have been reconverted in an incredibly short time to their regular lines of activity, and as a result the manufacturing operations are considerably advanced, as is evidenced by the showing for the first quarter of 1919; the number of cars, trucks, and tractors sold to March 31, 1919 inclusive being 82,456; the net profits before deducting Federal taxes are estimated at upwards of \$20,000,000.

The preferred dividends have been paid during the year at the full rate of six per cent. In the purchase of United Motors assets, the Debenture stock which was delivered in part payment thereof, carried with it an amount in cash equivalent to the November 1 dividend of 1½%.

Regular dividends of 3% quarterly were paid on the common stock during the year.

The number of stockholders of the Corporation is in excess of 12,000 at this date.

The General Motors Corporation is to be congratulated upon the association with the E. I. duPont de Nemours & Company resulting from the acquisition of a large stock interest by that company which insures financial stability and the cooperation of the finest engineering organization in the country.

Your directors take pleasure in acknowledging their high appreciation of the loyalty and efficiency of your officers and employees.

By order of the Board of Directors.

W. C. DURANT,
President.

DETROIT, MICHIGAN, APRIL 5, 1919.

MR. W. C. DURANT, *President*
New York, N. Y.

Dear Sir:- I submit herewith the following statements showing the results of operation and the financial condition of General Motors Corporation and its subsidiary companies, consolidated, for the periods named:

- Statement 1.* Condensed Consolidated Balance Sheet, as of December 31, 1918, compared with December 31, 1917.
- Statement 2.* Income Account for 12 months ended December 31, 1918.
- Statement 3.* Profit and Loss Account for 12 months ended December 31, 1918.

Yours,

M. L. PRENSKY,

Comptroller.

Statement I
CONDENSED COMPARATIVE CONSOLIDATED BALANCE SHEET
OF GENERAL MOTORS CORPORATION AND SUBSIDIARY COMPANIES
AS OF DECEMBER 31, 1918 AND 1917

ASSETS	DECEMBER 31, 1918	DECEMBER 31, 1917
Permanent Investment:		
Real estate, plants and equipment	\$ 86,818,414.51	\$ 40,086,374.34
Less: reserve for depreciation	10,061,983.38	1,428,539.28
	<u>\$ 76,756,431.13</u>	<u>\$ 38,657,835.06</u>
Investments in allied and accessories companies	2,839,531.23	2,030,273.48
Current and Working Assets:		
Cash in banks and on hand	30,636,621.48	18,865,645.27
Liberty Bonds	28,852,018.00	1,255,000.00
Marketable securities	172,304.86	—
Sight drafts against B/L attached	3,316,384.90	7,590,279.25
Due from United States Government on war contracts	7,305,626.76	449,855.83
Notes(\$1,285,908.01 in 1918) and accounts receivable	21,995,359.50	5,555,403.34
Inventories at cost or less	91,137,512.59	46,559,394.15
Total Current and Working Assets	<u>\$183,415,828.09</u>	<u>\$ 80,275,577.84</u>
Deferred expenses	762,651.85	854,434.61
Good-will, patents, copyrights, etc	35,714,893.43	11,971,603.48
Total	<u>\$299,489,335.73</u>	<u>\$133,789,724.47</u>
LIABILITIES		
Capital Stock:		
Debenture stock (authorized \$150,000,000) issued ..	\$ 30,756,300.00	—
Less: in treasury of General Motors Corporation	1,581,000.00	—
In hands of public	<u>\$ 29,175,300.00</u>	—
Preferred stock (authorized \$20,000,000) issued ...	\$ 19,684,300.00	\$ 19,676,800.00
Less: in treasury of General Motors Corporation	13,300.00	—
In hands of public	<u>\$ 19,671,000.00</u>	<u>\$ 19,676,800.00</u>
Common stock (authorized \$200,000,000) issued ...	\$151,301,100.00	\$ 82,558,800.00
Less: in treasury of General Motors Corporation	3,921,200.00	5,685,500.00
In hands of public	<u>\$147,379,900.00</u>	<u>\$ 76,873,300.00</u>
Total in hands of public	<u>\$196,226,200.00</u>	<u>\$ 96,550,100.00</u>
Purchase Money Bonds	225,000.00	—
Outstanding Capital Stock (par value) and surplus of sub- sidiary companies, being the portion not owned by General Motors Corporation:		
Capital Stock	\$ 2,960,400.83	\$ 540,500.00
Surplus	427,754.20	859,083.18
Total	<u>\$ 3,388,155.03</u>	<u>\$ 1,399,583.18</u>
Current Liabilities:		
Accounts payable	\$ 18,453,316.99	\$ 10,665,717.52
Notes payable	10,802,154.11	—
Taxes, pay rolls, and sundries accrued not due	3,769,865.29	4,858,326.57
Total Current Liabilities	<u>\$ 33,025,336.39</u>	<u>\$ 15,524,044.09</u>
Reserves:		
For two months' proportion of Dividend on Preferred and Debenture stock, payable Feb. 1.	\$ 488,463.00	\$ 196,768.00
For Federal taxes and extraordinary expenditures ..	25,863,823.23	6,939,018.55
For sundry contingencies	3,863,420.65	1,671,818.08
Total	<u>\$ 30,215,706.88</u>	<u>\$ 8,807,604.63</u>
Surplus	36,408,937.43	11,508,392.57
Total	<u>\$299,489,335.73</u>	<u>\$133,789,724.47</u>

Statement 2

INCOME ACCOUNT FOR TWELVE MONTHS ENDED DECEMBER 31, 1918

Net Profits after deducting all expenses of manufacture (including maintenance) selling and administration, as well as ordinary taxes, insurance and depreciation.....	\$35,504,576.41
Less: Provision for Federal taxes and extraordinary expenditures..	20,113,548.19
	\$15,391,028.22
General Motors Corporation proportion thereof	\$14,825,530.19
Preferred Dividends for 12 months at rate of 6%....\$	1,180,901.00
Debenture Dividends for 5 months at rate of 6%....	739,566.00
	1,920,467.00
Undivided Profits for 12 months ended December 31, 1918	\$12,905,063.19

Statement 3

PROFIT AND LOSS ACCOUNT

Profit and Loss Surplus at the beginning of the year.	\$11,508,392.57
Add undivided profits per Income Account above....	12,905,063.19
Additions through acquisition of properties:	
Chevrolet Motor Company (of Delaware)	\$ 8,065,083.10
United Motors Corporation.....	9,714,607.59
Other Companies.....	653,100.98
Profit from sale of new Common Stock	4,800,000.00
	23,232,791.67
	\$47,646,247.43
Less: Cash dividends paid on Common Stock	
February 1, 1918— 3%.....\$	2,292,150.00
May 1, 1918— 3%.....	2,292,567.00
August 1, 1918— 3%.....	3,205,704.00
November 1, 1918— 3%.....	3,446,889.00
	11,237,310.00
Profit and loss surplus December 31, 1918	\$36,408,937.43

NOTE: The various tangible and intangible assets acquired by the Corporation during the year were valued and written on the Corporation's books at the same aggregate amount as they had been carried on the books of the corporations so purchased. As these amounts are in excess of the par value of the securities of the General Motors Corporation issued in payment for such assets, the difference results in an addition to the surplus account of the Corporation, as shown above.

The properties of the Chevrolet Motor Company of Canada, Ltd., The McLaughlin Carriage Company, Ltd., and The McLaughlin Motor Car Company, Ltd., which were acquired during the year, were appraised and the book values adjusted to agree therewith.

NEW YORK
CHICAGO
DETROIT
SAINT LOUIS
BOSTON
CLEVELAND
BALTIMORE
PITTSBURGH

HASKINS & SELLS

CERTIFIED PUBLIC ACCOUNTANTS

CABLE ADDRESS "HASKSELLS"

30 BROAD STREET

NEW YORK

SAN FRANCISCO
LOS ANGELES
NEW ORLEANS
SEATTLE
DENVER
ATLANTA
WATERTOWN
LONDON

GENERAL MOTORS CORPORATION,
Detroit, Michigan.

We have audited your general accounts and those of your subsidiary manufacturing companies for the year ended December 31, 1918, and, subject to our not having examined the minutes of your governing bodies,

WE HEREBY CERTIFY that, in our opinion, the accompanying Condensed Consolidated Balance Sheet, December 31, 1918, and related Summaries of Income and Profit & Loss for the year ended that date are correct.

HASKINS & SELLS

New York,
April 5, 1919.

