

Report of
General Motors Corporation

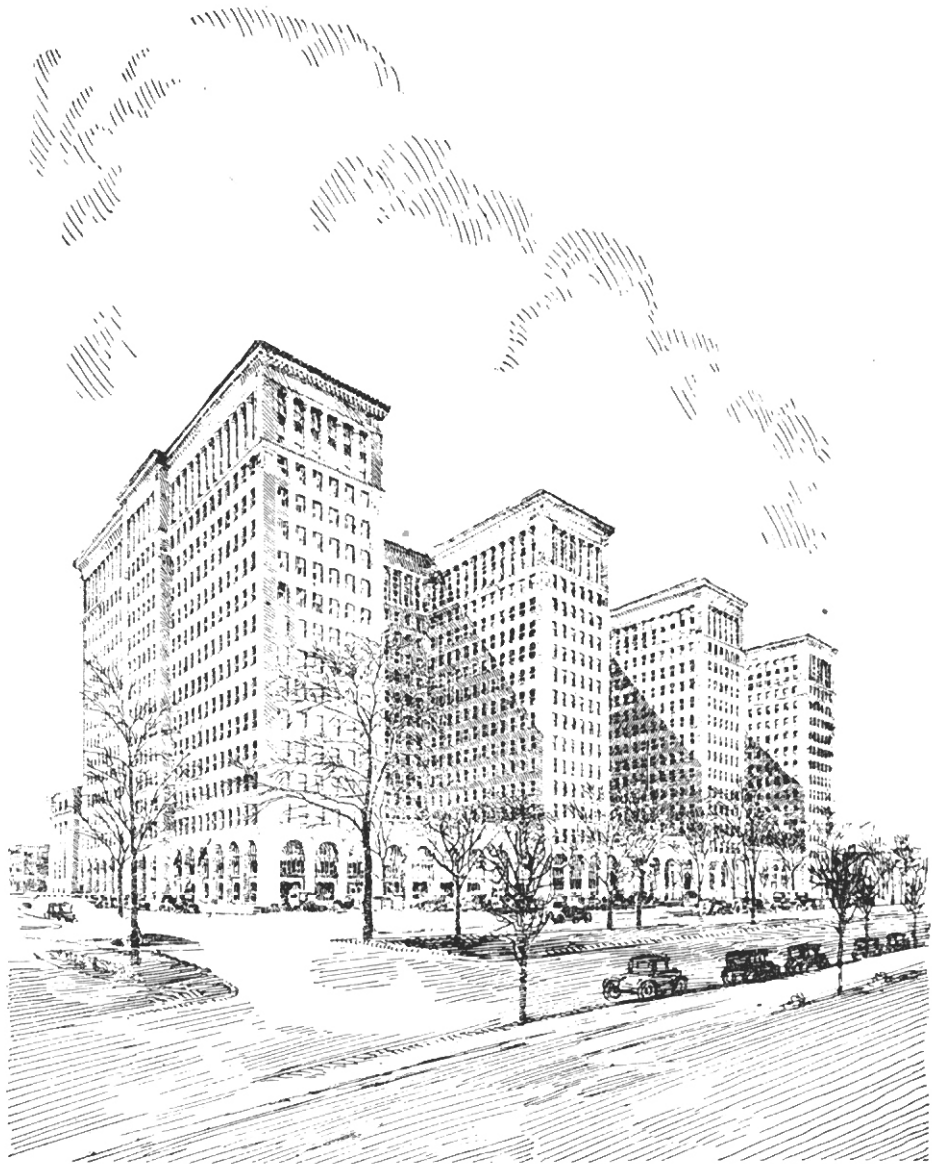
FOR THE

Fiscal Year Ended December 31, 1921

Report of
General Motors Corporation

FOR THE

Fiscal Year Ended December 31, 1921



GENERAL MOTORS BUILDING
DETROIT, MICHIGAN

GENERAL MOTORS CORPORATION

Board of Directors

PIERRE S. DU PONT, *Chairman*

GEORGE F. BAKER, JR.
HARRY H. BASSETT
ARTHUR G. BISHOP
DONALDSON BROWN
ARTHUR CHAMBERLAIN
WILLIAM L. DAY
HENRY F. DU PONT
IRÉNÉE DU PONT
LAMMOT DU PONT
FRED J. FISHER
J. AMORY HASKELL
LOUIS G. KAUFMAN
CHARLES F. KETTERING

R. SAMUEL McLAUGHLIN
WILLIAM McMASTER
CHARLES S. MOTT
SEWARD PROSSER
JOHN J. RASKOB
ALFRED P. SLOAN, JR.
JOHN T. SMITH
EDWARD R. STETTINIUS
ALFRED H. SWAYNE
WILLIAM H. WOODIN
CLARENCE M. WOOLLEY
OWEN D. YOUNG
KARL W. ZIMMERSCHIED

SIR HARRY MCGOWAN

Finance Committee

JOHN J. RASKOB, *Chairman*

GEORGE F. BAKER, JR.
DONALDSON BROWN
HENRY F. DU PONT
IRÉNÉE DU PONT

LAMMOT DU PONT
PIERRE S. DU PONT
J. AMORY HASKELL
SEWARD PROSSER

EDWARD R. STETTINIUS

Executive Committee

PIERRE S. DU PONT, *Chairman*

J. AMORY HASKELL

ALFRED P. SLOAN, JR.

JOHN J. RASKOB

Officers

PIERRE S. DU PONT, <i>President</i>	Wilmington
HARRY H. BASSETT, <i>Vice-President</i>	Flint
ARTHUR G. BISHOP, <i>Vice-President</i>	Flint
DONALDSON BROWN, <i>Vice-President</i>	New York
WILLIAM L. DAY, <i>Vice-President</i>	Pontiac
GEORGE H. HANNUM, <i>Vice-President</i>	Pontiac
ALEX. B. C. HARDY, <i>Vice-President</i>	Lansing
J. AMORY HASKELL, <i>Vice-President</i>	New York
CHARLES F. KETTERING, <i>Vice-President</i>	Dayton
R. SAMUEL McLAUGHLIN, <i>Vice-President</i>	Oshawa, Ont.
CHARLES S. MOTT, <i>Vice-President</i>	Flint
JOHN J. RASKOB, <i>Vice-President</i>	Wilmington
HERBERT H. RICE, <i>Vice-President</i>	Detroit
ALFRED P. SLOAN, JR., <i>Vice-President</i>	New York
JOHN T. SMITH, <i>Vice-President</i>	New York
ALFRED H. SWAYNE, <i>Vice-President</i>	New York
KARL W. ZIMMERSCHIED, <i>Vice-President</i>	New York
THOMAS S. MERRILL, <i>Secretary</i>	Detroit
MEYER L. PRENSKY, <i>Treasurer</i>	Detroit
FRANK TURNER, <i>Comptroller</i>	Detroit

REPORT TO THE STOCKHOLDERS
OF
GENERAL MOTORS CORPORATION

For the Fiscal Year ended December 31, 1921

NEW YORK, N. Y., MARCH 26, 1922.

TO THE STOCKHOLDERS:

Last year occasion was taken to call attention to the rapid growth of the automobile industry and to compare the volume of sales for the year 1920 with the annual sales of other important products. At that time the country was on the eve of a period of depression and liquidation, the extent of which was beyond accurate prediction. The importance and stability of the automobile industry during such periods had not been tested, therefore the outcome of business for the year 1921 was looked upon with confidence, doubt or apprehension, according to the viewpoint of the individual making the forecast. It must be conceded that the industry as a whole has withstood the test remarkably well.

In the first place, the increase of registrations of automotive vehicles from 9,211,295 in 1920 to about 10,488,000 in 1921 (an increase of 13%) shows that the generally depressed conditions did not result in disuse of the automobile as a means of transportation. In fact, the number of cars in use actually increased in a period of rapidly declining values, unemployment and general business depression. Secondly, the value of automobiles produced, which stood at \$2,233,000,000 in the banner year of 1920, decreased in 1921 to an estimated \$1,222,000,000, or a decline of about 45%. Thirdly, the number of cars and trucks produced fell from 2,205,000 to 1,680,000, or about 24%. Fourthly, the domestic consumption of gasoline for 1921 as reported by the Bureau of Mines was 4,506,706,000 gallons, an increase of 6% over 1920.

The above facts emphasize the importance of the automobile and establish the automotive industry as a permanently important factor in the country's development and activities.

SALES OF CARS, TRUCKS AND TRACTORS

General Motors Corporation has held its share of business with respect to the medium and high-grade cars. As a whole, its proportionate volume is slightly less, due to the fact that it is not as large a producer of low-priced cars as of those of high and medium grade. The low-price field has naturally been the most active in depressed times; therefore, it is not surprising that General Motors Corporation shows a slight falling off from the average of the industry. However, its maintenance of position in the field is considered satisfactory.

Sales of passenger cars, commercial cars and tractors for the year 1921 totalled 214,799, compared with 387,190 in 1920, 406,158 in 1919, 246,834 in 1918 and 324,503 in 1917.

REORGANIZATION OF DIVISIONS

During the year 1921 it became apparent to the Executive Committee that the operations of certain divisions were in conflict with newly formulated plans for conducting the business of the Corporation. Consequent changes and the reorganization of these divisions on the lines established have resulted in loss, not only in profits, but also through liquidation and scrapping of inventories and the abandonment of car, truck and tractor models not suited to the adopted rules for quality and performance. Some of these changes have been radical, but the Executive Committee has faced the reorganization without fear and in full confidence that the future would thoroughly justify the complete readjustment of unsatisfactory conditions.

It has been the effort of the officers of the Corporation to knit more closely its different divisions in order that the greatest benefit might result from the cooperative conduct of this large business. Much is left to be done, but the foundation for closer cooperation has been laid and benefits are already accruing. Systematic study has been given to the relations of the several divisions to each other and duplication or conflict of effort has been avoided. As a whole, much has been accomplished and many plans laid that will develop to the future advantage of the Corporation.

FINANCIAL STATEMENT

On account of these changes the financial statement for the year 1921 is materially affected by the losses consequent to the reorganization of certain divisions, while the Profit and Loss Account resulting from the

conduct of the already properly organized divisions is considered as reflecting the actual earning power of the Corporation during the year 1921. The business of this latter year has been so exceptional in character that it seems desirable to show as nearly as possible the earnings of the Corporation apart from entanglements of reorganization made necessary by faulty developments during past years; and with this in view there is included in this report on page 14 a supplemental statement of Income Account similar to the one appearing in the preliminary report issued under date of March 4, 1922.

If there is unfairness in the method of treatment accorded in this supplemental statement, it lies in failing to credit to the year 1921 any income from the important part of the Corporation's assets that have been involved in the reorganization process. It would be too difficult to attempt to segregate reorganization items from those of current operation in those divisions undergoing reorganization, so that the earning statement is made up without any advantage accruing to earnings from a large portion of the Corporation's capital investment that in the future should produce substantial profits, even in times of depression.

LIQUIDATION OF INVENTORIES

In the last annual report attention was called to the large accumulation of inventories toward the end of the year 1920 and the liquidation that had been accomplished on January 1, 1921. This liquidation has gone steadily forward, so that inventories have been reduced from \$164,-684,000 to \$108,762,000 (a reduction of \$55,922,000) during a period of comparatively small sales volume. This liquidation has been accompanied by reduction in payables as follows:

urrent accounts payable have been reduced	\$ 9,702,000
Notes payable have been reduced	23,446,000
Total reduction in current indebtedness	<u>\$33,148,000</u>

THE GENERAL MOTORS BUILDING

Upon page 2 of this report is shown a picture of the General Motors Building, the administration headquarters in Detroit, which was completed externally during 1920; the interior of two only of the four wings was finished at that time and prepared for occupancy. During 1921 various departments of the Corporation, and some of the subsidiaries, were installed.

Early last fall it became evident that additional office space would be needed before long and it was decided to complete the interior of the remaining portion of the building and to rent such part as was not occupied for the Corporation's purposes. Accordingly, in November, 1921, there was sold to S. W. Straus & Co., investment bankers, an issue of \$12,000,000 General Motors Building Corporation first mortgage 7% serial bonds, maturing from 1922 to 1946, part of the proceeds to be used to complete the building, work on which is now well under way.

The General Motors Building is the largest office building in the world, occupying a block approximately 504 feet by 322 feet. It is fifteen stories high, built in four wings, and is of steel frame construction, faced with Bedford limestone. The building contains 1,700 offices, each 15 feet by 20 feet, and has a capacity for 6,000 tenants. The total floor space is equivalent to 30 acres.

The Laboratory Building attached at the rear of the main building is five stories in height, of reinforced concrete construction, faced with Bedford limestone. This Laboratory is designed for research work along mechanical, electrical and chemical engineering lines, and is now occupied by General Motors Corporation.

SAVINGS AND INVESTMENT PLAN

As part of its welfare program, the Corporation, in May, 1919, established a Savings and Investment Plan under which employes might deposit each year 10% of their wages—not to exceed \$300 in any one year. Interest is credited semi-annually at 6% and employes may withdraw their deposits and interest at any time. Under this original plan the Corporation agreed that, if these deposits remained undisturbed for a period of five years, it would match dollar for dollar the deposits of the employes.

The response by the employes to this opportunity for thrift has been extremely gratifying from the standpoint of the number of employes participating and the large amount of money deposited. A summary of the results follows:

Year Ended Dec. 31	Amount Paid in by Employes	Amount Paid in by Corp.	Accumulation of interest and income from investment	Aggregate Receipts	Withdrawals by Employes	Net Amount in Funds
1921	\$2,603,090	\$2,162,565	\$603,801	\$5,369,456	\$2,376,157	\$ 2,993,299
1920	4,502,185	4,502,185	* 382,476	9,386,846	2,758,781	6,628,064
1919	2,249,065	2,249,065	22,907	4,521,037	179,382	4,341,654
	<u>\$9,354,340</u>	<u>\$8,913,815</u>	<u>\$1,009,184</u>	<u>\$19,277,339</u>	<u>\$5,314,320</u>	<u>\$13,963,017</u>

* In addition to this amount which was received in cash, there was also received as a stock dividend 12,604 39/40th shares of General Motors Corporation Common Stock.

Improvements in the plan have naturally developed in three years' operation. Accordingly, a study has been made, and an amended plan, adopted as of January 1, 1922, under which the Corporation's contribution will be fifty cents for every dollar deposited by the employe and remaining undisturbed for a period of five years. Deposits made prior to December 31, 1921, are not affected by the changes.

NUMBER OF EMPLOYEES

The number of employes of the Corporation for the past few years has been as follows:

1909.....	14,250	1913.....	20,042	1918.....	49,118
1910.....	10,000	1914.....	14,141	1919.....	85,980
1911.....	11,474	1915.....	21,599	1920.....	25,333
1912.....	16,584	1916.....	25,666	1921.....	35,931
		1917.....	25,427		

These figures do not include the employes of the affiliated companies.

BONUS PLAN

In order to induce employes of exceptional merit to remain with the Corporation for a period of years, a bonus plan was adopted in 1918. The Corporation each year, after deducting from net earnings 6% on the capital employed in business, sets aside 10% from its net earnings, and this amount is placed in a bonus fund to be invested in Common stock and 7% Debenture stock of the Corporation. At the end of each year employes of merit are awarded bonus in stock of the Corporation out of this fund. The stock is held in trust for a period of five years, then delivered to the employe free and clear. In the interim the employes receive the dividends paid.

The awards made under the bonus plan have been as follows:

Year Ended Dec. 31	Number Shares Common Awarded	Number Employees Receiving Common	Number Shares 7% Deb. Awarded	Number Employees Receiving 7% Deb.
1920	119,482	3,241	6,339	3,370
1919	214,659	1,722	14,191	4,729
1918	261,460	2,279	..,...	..,...

The experience gained during the actual operation of the plan indicates that it is desirable to make changes, and a committee has been

appointed to study and make recommendations. On this account the operation of the bonus plan was suspended December 31, 1921, in respect of services rendered by employes subsequent to that date, pending the amendments to the plan to be adopted during the current year. Amendments to the plan will not affect awards heretofore made.

NUMBER OF STOCKHOLDERS

A comparison of the total number of stockholders of all classes by quarters follows:

Year Ended Dec. 31	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
1917	1,927	2,525	2,669	2,920
1918	3,918	3,737	3,615	4,739
1919	8,012	12,523	12,358	18,214
1920	24,148	*26,136	31,029	36,894
1921	49,035	59,059	65,324	66,837
1922	70,504

* In January, 1920, stockholders authorized the exchange of one share of Common stock, par value \$100, for 10 shares of Common stock without par value, the first exchange being made March 1, 1920.

DIVIDENDS

The regular dividends on the Preferred and Debenture stocks have been paid during the year 1921 and \$1.00 in cash on the Common stock. A detailed record of the quarterly dividend payments during the year ended December 31, 1921, is as follows:

Common Stock	6% Preferred Stock	6% Debenture Stock	7% Debenture Stock	Date of Payment	Stock of Record
\$0.25	\$1.50	\$1.50	\$1.75	Feb. 1st	Jan. 10th
0.25	1.50	1.50	1.75	May 2nd	Apr. 15th
0.25	1.50	1.50	1.75	Aug. 1st	July 11th
0.25	1.50	1.50	1.75	Nov. 1st	Oct. 3rd

Dividends on the Preferred and Debenture stocks have been paid regularly since the stocks were issued, as follows: The 6% Preferred has paid \$1.50 a share quarterly, \$6 a share a year since Feb. 1, 1917. The 6% Debenture has paid \$1.50 a share quarterly, \$6 a share a year since Feb. 1, 1919. The 7% Debenture has paid \$1.75 a share quarterly, \$7 a share a year since May 1, 1920.

At the meeting of Directors held Jan. 4, 1922, there was declared the regular quarterly dividends upon the Preferred and Debenture stock payable Feb. 1, 1922; a dividend on the Common stock was not declared at that meeting, as the Directors thought it wise to conserve resources until earnings for the year 1922 have been established.

THE OUTLOOK

The outstanding feature in the report of operations for the year 1921 is liquidation—liquidation forced by the sudden contraction of business to an abnormally low level throughout the United States, in face of declining values. The accomplishment of this liquidation in orderly manner is a tribute to American industry and the officers and employes of General Motors Corporation are to be commended for their effective work in the liquidating program. The Corporation met the shock of abnormal retrenchment and stood it well.

The outlook is now brighter. The year 1922 opens with inventory accounts reduced to current basis and old commitments provided for or adjusted. The opening months of the year show substantial increase in demand and sales, not only with respect to corresponding months of 1921, when business was nearly at a standstill, but also as to several of our divisions even in comparison with the record year of 1920.

The officers of General Motors Corporation believe that recovery from the depression of 1921 is reasonably assured and look forward with greatest confidence to a successful business year in 1922.

By Order of the Board of Directors,

PIERRE S. DU PONT,

President.

Statement I

**CONDENSED COMPARATIVE CONSOLIDATED BALANCE SHEET OF GENERAL
MOTORS CORPORATION AND SUBSIDIARY MANUFACTURING AND RELATED
SELLING COMPANIES AS OF DECEMBER 31, 1921 and 1920**

ASSETS	Dec. 31, 1921	Dec. 31, 1920
Cash in banks and on hand.....	\$ 40,057,401.53	\$ 47,608,949.90
United States Government Bonds.....	5,228.04	41,262.21
Marketable securities.....	27,009.31	34,096.31
Sight drafts against B/L attached and C. O. D.....	4,677,241.39	9,534,264.37
Notes receivable.....	4,794,978.99	13,449,376.90
Accounts receivable and trade acceptances, customers and others.....	18,944,844.09	22,091,095.33
Inventories at cost or market, whichever is lower.....	108,762,625.35	164,684,678.72
Prepaid expenses.....	1,944,988.35	1,891,854.06
Total Current and Working Assets.....	<u>\$179,214,317.05</u>	<u>\$259,335,577.80</u>
Investments in allied and accessory companies, etc....	\$ 56,377,031.68	\$ 67,985,100.31
General Motors Corporation Common and Debenture stock held in treasury.....	3,889,799.51	—
Real estate, plants and equipment.....	248,593,751.60	248,788,765.63
Deferred expenses.....	4,609,677.87	6,282,606.27
Goodwill, patents, copyrights, etc.....	22,438,401.22	22,414,818.11
	<u>\$335,908,661.88</u>	<u>\$345,471,290.32</u>
TOTAL ASSETS.....	<u>\$515,122,978.93</u>	<u>\$604,806,868.12</u>
LIABILITIES, RESERVES AND CAPITAL		
Accounts payable (and trade acceptances in 1920)....	\$ 15,640,429.41	\$ 30,140,278.35
Notes payable.....	48,974,996.29	72,421,451.45
Taxes, payrolls and sundries accrued not due.....	15,894,778.40	11,122,197.78
Accrued dividends on Preferred and Debenture Stock, payable February 1.....	1,043,763.07	1,018,943.73
Total Current Liabilities.....	<u>\$ 81,553,967.17</u>	<u>\$114,702,871.31</u>
Purchase Money Mortgages.....	\$ *1,475,592.82	\$ 1,629,070.14
Purchase Money Notes, account Fisher Body Corporation stock purchase.....	**4,000,000.00	9,840,000.00
	<u>\$ 5,475,592.82</u>	<u>\$ 11,469,070.14</u>
Reserve for depreciation of real estate, plants and equipment.....	\$ 37,527,774.94	\$ 33,285,988.04
Reserve for employes' investment fund and sundry contingencies.....	4,477,043.35	5,123,100.01
Reserve for Federal taxes.....	1,913,193.63	4,942,116.42
Reserve for bonus to employes.....	17,630.87	1,558,950.87
Special reserve as of December 31, to cover anticipated losses and unforeseen contingencies pertaining to prior period, but not definitely ascertainable.....	14,000,000.00	7,500,000.00
Reserve for completion of office building.....	2,499,261.00	—
Total Reserves.....	<u>\$ 60,434,903.79</u>	<u>\$ 52,410,155.34</u>
Capital Stock:		
Debenture Stock 7%.....	\$ 26,931,600.00	\$ 25,153,500.00
Debenture Stock 6%.....	60,801,000.00	56,366,900.00
Preferred Stock 6%.....	16,183,400.00	16,183,400.00
Common Stock, no par value:		
20,550,590 21/40ths shares issued and outstanding at \$10 per share	\$205,505,905.25	
95,067 shares held in reserve ac- count of subscriptions not fully paid, at \$10 per share.....	950,670.00	
Common Stock (\$100 par value).....	206,456,575.25	205,393,445.25
Total Capital Stock.....	<u>7,400.00</u>	<u>239,500.00</u>
	<u>\$310,379,975.25</u>	<u>\$303,336,745.25</u>
Interest of minority stockholders in subsidiary companies with respect to capital and surplus.....	1,464,379.44	1,614,809.08
Surplus over and above \$10 per share on no par value Common stock.....	55,814,160.46	121,273,217.00
Total Capital Stock and Surplus.....	<u>\$367,658,515.15</u>	<u>\$426,224,771.33</u>
TOTAL LIABILITIES, RESERVES AND CAPITAL.....	<u>\$515,122,978.93</u>	<u>\$604,806,868.12</u>

*Represents mortgages resting against miscellaneous properties acquired—\$179,192.82 will mature in 1922.

**\$1,000,000.00 is due August 1, 1922, the balance matures \$1,000,000.00 each year thereafter.

Contingent liabilities:—There were contingent liabilities of \$302,531.07 on December 31st, 1921, representing notes receivable dis-
counted and obligations of subsidiary companies guaranteed.

Statement 2
INCOME ACCOUNT

	<u>YEAR ENDED</u> <u>DEC. 31, 1921</u>	<u>YEAR ENDED</u> <u>DEC. 31, 1920</u>
Net earnings for year before deducting interest, but after all expenses of manufacturing (including maintenance), selling and administration, as well as ordinary taxes, insurance, depreciation (\$6,750,674.54 in 1921) of plant and equipment.	\$ 13,246,523.30	\$ 82,762,063.38
Less: Provision for employes' bonus		\$ 1,488,558.48
Provision for employes' investment fund	\$ 2,174,080.00	4,502,185.00
Interest on notes and trade acceptances	5,281,084.67	5,604,006.47
	<u>\$ 7,455,164.67</u>	<u>\$ 11,594,749.95</u>
	<u>\$ 5,791,358.63</u>	<u>\$ 71,167,313.43</u>
Less: Write-down of inventories to cost or market, whichever is lower	\$ 16,603,073.25	\$ 18,502,188.43
Employes' housing development	5,600.00	3,387,603.42
Provision for refunds due dealers and distributors on account of price reduction effective January 1, 1922	2,441,376.07	
Cost of cancellation of commitments, rebates on sales in 1920 account of price guarantees, and other miscellaneous losses charged off in 1921 in excess of reserve created at the close of 1920 in anticipation of such contingencies	11,421,102.78	
	<u>\$ 30,471,152.10</u>	<u>\$ 21,889,791.85</u>
	<u>\$*24,679,793.47</u>	<u>\$ 49,277,521.58</u>
Less: Provision for Federal taxes and extraordinary expenditures		3,894,000.00
	<u>\$*24,679,793.47</u>	<u>\$ 45,383,521.58</u>
Less: Special reserve established December 31, 1921, to cover anticipated losses and unforeseen contingencies pertaining to 1921 or prior years, but not at present definitely ascertainable	\$ 14,000,000.00	\$ 7,500,000.00
	<u>\$*38,679,793.47</u>	<u>\$ 37,883,521.58</u>
General Motors Corporation proportion thereof	<u>\$*38,680,770.05</u>	<u>\$ 37,750,375.01</u>
Debenture dividends at rate of 7%	\$ 1,807,490.09	\$ 1,476,721.11
Debenture dividends at rate of 6%	3,531,515.50	3,169,957.00
Preferred dividends at rate of 6%	971,004.00	973,748.00
	<u>\$ 6,310,009.59</u>	<u>\$ 5,620,426.11</u>
Amount earned on Common stock	<u>\$*44,990,779.64</u>	<u>\$ 32,129,948.90</u>

Statement 3
SURPLUS ACCOUNT

	<u>YEAR ENDED</u> <u>DEC. 31, 1921</u>	<u>YEAR ENDED</u> <u>DEC. 31, 1920</u>
Surplus over and above \$10.00 per share of outstanding no par value Common stock at the beginning of the year	\$121,273,217.00	\$ 78,641,897.32
Addition arising through adjustment of no par value Common stock outstanding to a basis of \$10.00 a share		7,625,180.00
Addition arising from sale of Common stock in excess of \$10.00 a share		33,709,915.23
Amount earned on Common stock as per income account above	*44,990,779.64	32,129,948.90
	<u>\$ 76,282,437.36</u>	<u>\$152,106,941.45</u>
Less: Cash dividends paid on Common stock:		
February 1, 1921, \$0.25 share on no par value	\$ 5,087,552.65	\$ 4,734,923.60
May 2, 1921, .25 share on no par value	5,143,404.25	4,149,015.35
August 1, 1921, .25 share on no par value	5,119,159.25	4,449,353.25
November 1, 1921, .25 share on no par value	5,118,160.75	4,559,997.00
Stock dividends paid on Common stock:		
May 1, 1920, 2 1/2%		3,931,086.50
August 1, 1920, 2 1/2%		4,449,348.25
November 1, 1920, 2 1/2%		4,560,000.50
	<u>\$ 20,468,276.90</u>	<u>\$ 30,833,724.45</u>
Surplus over and above \$10.00 per share of outstanding no par value Common stock December 31	<u>\$ 55,814,160.46</u>	<u>\$121,273,217.00</u>

* Deficit.

Statement 4

**SUPPLEMENTARY STATEMENT OF SALES AND INCOME, WITH SUBDIVISION
INTO CLASSIFICATION AS INDICATED**

Class A: The divisions which are thoroughly established and whose product is standardized and does not require radical readjustment.

Class B: The divisions which were undergoing reorganization and rearrangement of product, including some cases of complete abandonment and liquidation.

The relative importance of the two groups is indicated by the following comparison of net sales in 1921 and 1920:

	NET SALES 1921	NET SALES 1920
Class A		
Operating units representing the Corporation's standardized and thoroughly established business	\$225,261,110	\$370,288,235
Class B		
Operating units undergoing reorganization in 1921.....	<u>79,226,133</u>	<u>197,032,368</u>
Corporation's total business.....	<u>\$304,487,243</u>	<u>\$567,320,603</u>

**STATEMENT OF PROFIT AND LOSS FOR THE 12 MONTHS ENDED
DECEMBER 31, 1921**

The aggregate net earnings from operations before deducting interest, but after all expenses of manufacturing (including maintenance), selling and administration, as well as ordinary taxes, insurance, depreciation of plants and equipment, were:

For Class A.....	\$ 29,671,494.70	
While for Class B there were losses of....	<u>16,431,547.98</u>	
Leaving net earnings from operations as a whole...		\$ 13,239,946.72
Less: Provision for Employes' Investment Fund...	\$ 2,174,080.00	
Interest on notes payable.....	<u>5,281,084.67</u>	7,455,164.67
Net income of the Corporation after ordinary charges		\$ 5,784,782.05

Charges for extraordinary losses and adjustments:

Write down of inventories at December 31, 1921, to cost or market, whichever is lower.... \$ 16,603,073.25

Provision for refunds due dealers and distributors on account of price reduction effective January 1, 1922..... 2,441,376.07

Cost of cancellation of commitments, rebates on sales in 1920 account of price guarantees, and other miscellaneous losses charged off in 1921 in excess of reserve created at the close of 1920 in anticipation of such contingencies..... 11,421,102.78

Special reserve established December 31, 1921, to cover anticipated losses and unforeseen contingencies pertaining to 1921 or prior years, but not at present definitely ascertainable..... 14,000,000.00 44,465,552.10

Balance to be charged against surplus..... \$ 38,680,770.05

ATLANTA
BALTIMORE
BOSTON
BUFFALO
CHICAGO
CINCINNATI
CLEVELAND
DALLAS
DENVER
DETROIT
KANSAS CITY
LOS ANGELES
NEW ORLEANS
NEW YORK

HASKINS & SELLS
CERTIFIED PUBLIC ACCOUNTANTS
37 WEST 39TH STREET
NEW YORK

PHILADELPHIA
PITTSBURGH
PORTLAND
SAINT LOUIS
SALT LAKE CITY
SAN FRANCISCO
SEATTLE
TULSA
WATERTOWN
HAYANA
LONDON
PARIS
SHANGHAI

GENERAL MOTORS CORPORATION,
Detroit, Michigan.

We have audited your general accounts and those of your subsidiary manufacturing companies for the year ended December 31, 1921, 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, 1921, and related Summaries of Income and Surplus for the year ended that date, are correct.

HASKINS & SELLS.

New York,
March 25, 1922.

