

TWENTY-SECOND ANNUAL
REPORT
OF
GENERAL MOTORS
CORPORATION

1930

TWENTY-SECOND ANNUAL
REPORT
OF
GENERAL MOTORS
CORPORATION

Year Ended
December 31, 1930

As will be submitted to stockholders at the Annual
Meeting to be held in Wilmington, Delaware,
Tuesday, May 5, 1931

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TO THE STOCKHOLDERS:

THE consolidated balance sheet and summary of consolidated income of General Motors Corporation and subsidiary companies for the year ended December 31, 1930, are submitted herewith. Attention is called to the fact that certain subsidiary and affiliated companies are not consolidated in the accounts of the Corporation. A list of these companies, not consolidated, is set forth on page 23.

A FINANCIAL REVIEW

Earnings: Net earnings for the year 1930 were \$141,616,131. This compares with \$248,282,268 for the year 1929. For both years there is included the Corporation's proportion of the net earnings and losses of subsidiary and affiliated companies not consolidated but accruing to General Motors Corporation in excess of dividends received. For 1930 this constituted a loss of \$2,667,254, while for 1929 there was a gain of \$2,311,875 in the corresponding account. The earnings stated for 1930 do not include a non-operating and non-recurring profit of \$9,482,861, after taxes, etc., which resulted principally from the sale to General Motors Management Corporation of 1,375,000 shares of common stock of General Motors Corporation, as authorized by the stockholders at a meeting held March 5, 1930. Total net earnings, operating and non-operating, amounted to \$151,098,992. After paying regular dividends on the preferred stocks, requiring \$9,538,660 for the year, there remains \$141,560,332, being the amount earned on the common shares outstanding. This is equivalent to \$3.25 per share on the common stock now outstanding and compares with \$5.49 per share earned in 1929. Non-operating and non-recurring earnings in 1930 are equivalent to \$0.21 per share on the common stock.

Dividends: Dividends at the rate of \$3.00 per share per annum on the common stock were paid during the year under review. The total dividends on all classes of stock declared during the year amounted to \$140,038,662. This compares with \$166,078,688 for the year 1929. After providing for the payment of dividends there was available out of earnings for reinvestment in the business \$11,060,330. This sum includes the Corporation's proportion of the earnings and losses of subsidiary and affiliated companies not consolidated but accruing to General Motors Corporation in excess of dividends received, as well as the non-operating profit previously referred to. This compares with \$82,203,580 for the year 1929.

Total real estate, plant and equipment accounts as at December 31, 1930, amounted to \$614,030,329. Charges against income on account of depreciation applicable to the year, amounting to \$37,715,088, represent the largest charge against earnings on account of depreciation in any one year in the history of the Corporation, and compare with \$35,217,071 charged against earnings on account of depreciation during the year 1929. Total reserves for depreciation now amount to \$218,656,021. The net investment in the plant account, after deducting depreciation reserves, showed a reduction of \$20,411,105 during the year. Invest-

ments in subsidiary and affiliated companies not consolidated showed only a nominal increase of \$479,810 during the year, the total at the close of the year amounting to \$207,750,253.

Capital stock of General Motors Corporation held in the treasury for corporate purposes showed a decrease of approximately \$57,900,000 during the year. Substantially all of this decrease is accounted for by changes in the method of handling the Corporation's cooperative plans. A reduction of \$45,000,000 results from the substitution of bonds of General Motors Management Corporation for treasury stock previously carried by General Motors Corporation itself. An additional decrease of \$13,000,000 is accounted for, first, by reduced Employees Investment Fund requirements for the year resulting from subnormal operations and secondly, by the fact that stock formerly purchased on account of the Corporation's bonus plan was bought during the year by General Motors Management Corporation and is, therefore, not carried directly by General Motors Corporation. There is a net increase of \$1,268,689 in the goodwill and patent account. This is due principally to the acquisition of additional properties, offset in part by a decrease due to the sale of other properties occasioned by consolidation of operations.

Net Working Capital: For ready reference the following summary shows briefly all working capital items as of December 31, 1930, as compared with the corresponding items as of December 31, 1929:—

CURRENT ASSETS	Dec. 31, 1930	Dec. 31, 1929
Cash, U. S. Government and other marketable securities	\$179,037,071	\$127,351,530
G. M. Management Corp. 6% bonds, due March 15, 1931	7,000,000	—
Sight drafts	6,707,616	13,579,613
Notes and accounts receivable	32,552,176	35,844,228
Inventories	136,298,891	188,472,999
Prepaid expenses	3,221,742	3,712,575
Total Current Assets	<u>\$364,817,496</u>	<u>\$368,960,945</u>
CURRENT LIABILITIES		
Accounts payable and accrued liabilities . . .	\$ 44,890,919	\$ 65,296,091
U. S. and foreign income taxes	17,013,276	28,701,486
Employees savings funds, payable within one year	12,142,369	9,010,571
Contractual liability to G. M. Management Corp., due March 10, 1931	8,170,558	—
Accrued preferred dividends	1,562,738	1,615,015
Extra dividend payable on common stock . . .	—	13,050,000
Total Current Liabilities	<u>\$ 83,779,860</u>	<u>\$117,673,163</u>
Net Working Capital	<u>\$281,037,636</u>	<u>\$251,287,782</u>

It will be noted that net working capital has increased \$29,749,854 during the year. Cash, United States Government and other marketable securities likewise have increased \$51,685,541. Inventories have been reduced \$52,174,108. The Corporation's liquid position, therefore, has been substantially improved as a result of the year's operations. Adequate charges are made for depreciation and obsolescence, with plant and equipment maintained in effective operating condition. During 1930 opportunity was taken to reorganize and consolidate certain of the Corporation's activities for the purpose of more effective and efficient operation. The cost was written off against the year's operations. Special tools, dies and fixtures, specific for any particular model, are in general charged off during the first production year. Inventories are valued at cost or market, whichever may be lower. The above policy has been in vogue for many years.

Capital Account: In order to simplify the capital structure, stockholders at a meeting held May 26, 1930, authorized a new issue of 6,000,000 shares of preferred stock of no par value, to be exchanged in part for the then outstanding 7% preferred, 6% preferred and 6% debenture stocks. This exchange was made on the following basis:

- 1.35 shares of \$5 preferred stock for each share of 7% preferred stock
- 1.10 shares of \$5 preferred stock for each share of 6% preferred stock
- 1.15 shares of \$5 preferred stock for each share of 6% debenture stock

To make this exchange it was necessary to issue 1,875,366 shares of the new \$5 no par value preferred stock to replace 1,389,160 shares of all classes of preferred stock previously outstanding. Annual dividend charges were reduced from \$9,724,000 to \$9,377,000. All shares of 7% preferred, 6% preferred and 6% debenture stock, which were not exchanged prior to July 22, 1930, were called for redemption on August 1, 1930.

The allocation of \$100 per share for each share of the \$5 no par preferred stock necessitated a transfer of \$45,567,132 from the surplus account to capital account, the combined capital and surplus account being, so far as this transaction is concerned, unchanged.

AN OPERATING REVIEW

Management Policies: The economic situation of practically all important consuming countries of the world during the year was materially out of adjustment. Involved as the Corporation is in an important way in the business activities of nearly every country in the world, its operations were adversely affected by such a situation. There arose, as a result, unusual problems of administration and policy which had to be dealt with effectively and aggressively, if the interests of the stockholders were to be protected. The future position of the institution, not only from the standpoint of the confidence with which it is regarded by the public, which is a measure of its goodwill, but likewise from the standpoint of its future economic development, called for the most searching analysis of all problems. The ability of the Management to cope with these problems and the soundness of the Corporation's operating policies were put to a real test. As such conditions afford a far more effective yardstick for measuring real worth than times of prosperity, the

twenty-second annual report of General Motors Corporation should be of unusual interest to its stockholders.

Previous annual reports have dealt with the methods that have been established by the Corporation with respect to the operating and financial control of its world-wide activities. In the middle of 1929 there was indicated a change in the trend of business activity. A period of readjustment was in process. Steps were taken to alter the position of the Corporation in harmony with the change in trend. As progress was made during that year it became evident that the readjustment would become one of magnitude. Action was taken to readjust the whole operating organization to a basis of reduced volume, resulting in improving the present financial position and earning power of the Corporation.

Certain phases of the problems that must be dealt with under such circumstances involve questions of industrial management and the relationship of capital to labor, which are common problems facing industry in general. Outside of adjustments, which are more or less continuous, irrespective of times or circumstances, the Corporation did not alter the wage scale during the year 1930. The standards of salary and wage scales have been maintained at the same level as during the previous year. Industry as a whole is dependent upon the purchasing power of the individual now more importantly than ever before. It is of prime importance that the spread between the cost of the necessities of life and the income of the individual should be maintained in order that there may be available purchasing power for the conveniences of life, in the production of which there is afforded employment for many.

The problem of effective balance between production and consumption was dealt with at length in the annual report of 1924 and has since been referred to from time to time. The automotive industry is particularly fortunate, due to the character of its products and the methods of distribution, in having available statistics reflecting the trend of retail sales and the state of inventory such as may exist between the manufacturer and the consumer. The Corporation's production schedules are, therefore, based upon the trend of actual consumer demand. Seasonal fluctuations in consumer demand are involved, and the trend must be judged with due regard thereto. Ordinarily, for example, about 12.6% of the year's total sales pass into the hands of the consumer in the month of April, as compared with 4.9% in the month of December. The bulky character of the product, the difficulty in securing adequate storage of suitable character, high carrying charges, large financial outlays, and uncertainties of forward retail demand add measurably to the difficulties of maintaining a level line of production. The Corporation's policy has been, and is, to maintain production schedules and employment at as level a rate as practical considerations permit.

Industry in its present state of development is dependent for its prosperity upon the welfare of the community at large. Sound measures that will serve to maintain purchasing power on a more level line should have the support and cooperation of industry. Every effort should be made through scientific management to reduce unemployment, both seasonal and that resulting from the so-called business cycle.

Stockholders have been informed in detail as to the Corporation's cooperative programs with its employes. The broad principle underlying the Corporation's

policy in its relation to its operating organization has been to develop ways and means whereby the welfare and economic position of each individual could be improved through cooperation and support of the Corporation. This gives the individual an opportunity through his own efforts to provide in a measure for the future. While not developed with that particular purpose in mind, nevertheless in many respects such a plan as the General Motors Savings and Investment Plan, might be looked upon as a forward step in dealing with the problem of unemployment, both seasonal and otherwise. The Savings and Investment Plan has been in operation twelve years. Seven classes have matured and including the class of 1930 there are five classes still unmatured. It must be remembered that the foundation of this plan is the payment on the part of each individual of varying amounts, usually averaging about \$10 per month, as may be proper in the judgment of each participant. It may be considered as a fact that in the absence of a definite program of saving relatively little is saved by the average person. To the extent that a systematic plan is cooperative the urge to save is intensified. There has been paid in cash and common stock of the Corporation to classes already matured—valuing the General Motors stock at $\$35\frac{3}{8}$ per share, the market price as of December 31, 1930—a total of \$65,955,547. In addition there is an equity of \$82,544,634 in the unmatured classes to be ultimately distributed. Therefore, as a result of this program there has been accumulated a large reserve fund which in a great part, it is fair to assume, would not exist had it not been for the Savings and Investment Plan.

Importance of Automotive Industry: At the close of the year, or more accurately at the beginning of each new year, it is the custom of the automotive industry to exhibit its products in a National Automobile Show held in New York and another somewhat later in Chicago. It is interesting to note two facts conspicuously evident as a result of these exhibitions, especially so in view of the economic situation existing. One is that the interest of the public is substantially undiminished. The other, and perhaps the more important, is that the automotive industry has succeeded in establishing a higher relationship between value and price than ever before. Its current offerings are unquestionably compelling bargains. Never before have such great values in motor cars been available for so few dollars. The automotive industry has maintained, in fact more than maintained, the consistent policy which it established from the beginning, of constant progress in the form of greater values. It is to be hoped that other industries will follow this example. If so, the beginning of a business improvement should be established and General Motors will have played a leading rôle in this regard.

It might be well to remind the stockholders of the fact that long ago the automotive industry passed from one dealing with what was considered as a luxury to one dealing with a basic necessity—transportation. The motor car made available individual transportation at an initial investment and at an operating cost so low as to be hardly believable. The desire to move from place to place is a fundamental desire of every individual. Hence the motor car next to food, clothing and shelter, has taken the first place in the budget of the individual. The thought has been advanced by many authorities, entirely within reason, that the automotive industry will lead the way to business recovery. Irrespective of whether this may or may not be true, it is nevertheless a fact that the economic situation through which we

are now passing will demonstrate that the automotive industry is built upon a foundation of necessity; that it compares favorably from the standpoint of stability with any other industry; and that, therefore, it is entitled to and will receive equal recognition in the future.

OPERATING FACTS AND FIGURES

Net sales, excluding inter-company and inter-divisional transactions, amounted to \$983,375,137. This compares with \$1,504,404,472 for the year 1929—a reduction of 34.6%. A sharp reduction in volume is usually attended by a much greater contraction in profits. This tendency was offset to an important degree by operating economies referred to elsewhere. Sales of motor cars to dealers in the United States reached a total of 1,035,660 units as compared with 1,535,852 units for the previous year. Sales by dealers to consumers within the United States amounted to 1,057,710 units as compared with 1,498,792 units for the previous year. Total sales of the Corporation to dealers, including Canadian sales and overseas shipments, amounted to 1,174,115 units as compared with 1,899,267 units for the year 1929. The Corporation enters the new year with a stock in the hands of dealers, both in domestic markets as well as those overseas, well in line with current consumer demand, so that any increase that may take place in consumer demand should be reflected immediately by an improvement in the Corporation's earnings. Notwithstanding the sharp reduction in the volume of motor car business, both in dollars and in units, as compared with the previous year, the percentage of the total volume enjoyed by the Corporation improved as compared with the previous year and, still more importantly, showed an improving trend in the latter months of the year.

During the year two outstanding developments were announced by the Corporation through the Cadillac Motor Car Division, *i. e.*, the production of the Cadillac V-16 and V-12. These cars have been accepted by the public as recording outstanding progress in motor car development in the high price field. Their advent will have an important influence on the future trend of motor car design. Through the Buick Motor Division there were announced four lines of eight cylinder motor cars, replacing the previously combined Buick-Marquette lines. Through the Chevrolet Motor Division a new series of Chevrolet cars was announced in November with a broader selection of models, with improved appearance and refinement in mechanical details, and at prices below those ever made possible before in the Chevrolet line. The response of the public has been gratifying. Likewise, improved value to a substantial degree has been added to the Oakland and Pontiac of the Oakland Motor Car Division, as well as to the Oldsmobile Six, produced by the Olds Motor Works Division. It is believed that in no year in the Corporation's history has it been able to offer such outstanding values as at present exist. Stockholders have every reason to be satisfied with the progress recorded by the Corporation in its car values during the year under review.

From the Chevrolet Six to the Cadillac V-16 the Corporation is now producing practically 150 different passenger models at prices ranging from \$475 to approximately \$15,000—in every sense of the word a car to suit every taste and “for every purse and purpose.”

OPERATING DEVELOPMENTS

During the year there occurred the following developments:—

Winton Engine Company, Cleveland, Ohio

This organization has engaged for some years past in the manufacture of power plants with engines employing both the Otto and Diesel cycles. It is an outstanding producer of engines of those types. In view of the developments taking place in the general direction of the Diesel type of construction it was thought desirable for the Corporation to deal in a practical way with the problem. Furthermore, it was felt that the Corporation's engineering and research staffs could contribute to progress in that direction. The Company was acquired on a sound operating basis and will add value to the Corporation's operating structure.

The cost of this acquisition was \$5,897,331, payment being made in 126,667 shares of General Motors common stock acquired in the open market for this purpose.

Electro-Motive Company, Cleveland, Ohio

Closely affiliated with Winton Engine Company is this organization which designs and sells gas-electric power plants for self-propelled railroad cars, locomotives and other purposes. This acquisition supplements that of the Winton Engine Company and was acquired at a cost of \$1,194,143, payment being made in 29,250 shares of General Motors common stock acquired in the open market for this purpose.

Kinetic Chemicals, Inc., Deepwater Point, N. J.

An important part of the Corporation's activities consists of the manufacture and distribution of automatic refrigerators. The new refrigerant manufactured by Kinetic Chemicals, Inc., will reduce to a minimum the fire and toxic properties involved in other forms of refrigerants. A real contribution has been made to the refrigeration art, especially in respect to such problems of cooling where large groups may be assembled, by removing the fire and health hazards. This addition to the Corporation's activities should in time add substantially to its profits, as has happened in the case of other developments resulting from its research activities. The company is jointly owned by the E. I. du Pont de Nemours & Company (51%) and your Corporation (49%).

Martin Parry Company, Indianapolis, Indiana

Certain of the plant facilities and branch operations of this Company were acquired for the purpose of producing commercial bodies for the truck department of the Chevrolet Motor Division and for coordinating body production with chassis production. As trucks and commercial cars form an important part of the business of the Chevrolet Division, this acquisition will enable the Company to establish definite prices on the completed vehicles based upon the most efficient and effective manufacturing methods. A cash payment was made for these plant facilities in the amount of \$900,000.

Jaxon Steel Products Division

As a result of consolidation of certain of the Corporation's activities the plant and equipment of this Division were sold.

Saginaw Crankshaft Division

During the year the machinery and equipment formerly operated by this Division, in order to effect greater economy in operation, were distributed in part to other operating divisions of the Corporation and in part liquidated. The Division as such has been discontinued.

General Motors Holding Corporation

This organization was established in the latter part of 1929. The object was to acquire, to a limited extent, partnership interests with individuals in operations having for their purpose the sale of General Motors car products at retail. In recognition of the important problems facing the distributing organization, *i.e.*, its distributors and dealers, it was thought desirable for General Motors to have direct contact with these problems to a limited extent. Furthermore, many instances occur of individuals of character and ability but with limited financial resources. With the temporary financial cooperation of the Corporation these may be developed into effective retail outlets.

Fisher Body Division

A particularly important event of the year was the development of improved methods of body production made possible by advanced engineering and manufacturing processes. A step forward in quality as well as reduction in manufacturing costs have resulted. This will have an important bearing on the Corporation's future progress.

General Motors Overseas

The Corporation's overseas activities may be divided into two parts: (a) operations merchandising products elsewhere produced, (b) activities engaged in both production and distribution. The review of the year 1929 referred to the rapid reduction in consumer demand overseas that had taken place during the latter half of that year. This trend continued throughout the year 1930, resulting in a substantial reduction in sales of motor cars, as is shown elsewhere in this report. The prices of commodities, upon which practically the entire purchasing power of many overseas countries is founded, have been below the cost of production and in addition these prices have suffered in many countries from a drastic depreciation in currency.

Inventory control in overseas operations presents important difficulties on account of the time element involved in making necessary adjustment as the consumer trend changes, due to the time of transportation. The problem confronting the Corporation's overseas operations has been an even more difficult one than that of domestic operations in readjusting their operating policies and personnel in harmony with the changed circumstances. At present inventories have been reduced until now they are substantially in line with prospective demand.

Dealing with manufacturing operations overseas and with particular reference to Adam Opel A. G., described in detail in the report of the previous year, it might be stated that on account of the acute industrial depression existing in Germany the operations of this activity have been very distinctly subnormal. It was expected, however, at the time this property was acquired that a period of at least two years must elapse before products of General Motors design could be developed and General Motors operating policies could be established. Important progress has been made in that direction during the year 1930, and during 1931 the program under development since the acquisition of this property will have been substantially completed. That should be the starting point of a commercial development of Adam Opel A. G. that should place that activity among the foremost motor car manufacturing operations outside of the United States.

Progress of Vauxhall Motors, Ltd., England, has been substantial. The development of new products was completed during the year and although the full effect of these changes has not as yet been realized, the position of the Company has materially improved.

Motor Accounting Company

The distribution of the Corporation's products rests upon the effectiveness of its retail outlets. The Corporation retails a relatively small proportion of its automotive products—approximately 5% of the total value of its car sales. Therefore the sales effectiveness and ability to render a high character of service to the public are dependent upon the efficiency of management, financial strength and suitable location of its vast organization of independently constituted distributors and dealers. In addition to the requirement that the manufacturer produce products of commanding appeal, there is the responsibility of maintaining constructive policies and administrative practices such as will assure the opportunity for sound and profitable operation of the retail dealer.

The Corporation approached this problem as it has in the case of other problems, from the standpoint of providing ways and means of determining facts pointing to the necessities of the case. It was for this purpose that Motor Accounting Company was formed in 1927 and it has been amply demonstrated that the establishment of the principle of fact-finding in the retail end of this industry has been highly constructive.

General Motors Acceptance Corporation

Reference has been made in practically all annual reports to the progress made from year to year by General Motors Acceptance Corporation and to the support that it has rendered the Corporation in furthering the sale of General Motors products both at home and abroad. In no previous time in the history of the Corporation have the purchasers of its products required such sympathetic consideration on the part of those to whom they have entrusted their financial obligations as in the year under review. To no such extent has the opportunity previously presented itself of creating such goodwill for the Corporation. General Motors Acceptance Corporation has recognized this opportunity and in so doing the purchasers of General Motors products have been protected and their equities preserved to the fullest degree practicable.

Earnings for General Motors Acceptance Corporation constitute a new record in the year under review and a substantial increase over the previous years, a highly commendable performance.

Although the trend of opinion in recent years has been toward a general acceptance of the economic soundness of instalment selling or consumer financing, yet there has been in the minds of many the question as to whether in periods of general industrial recession it would entirely justify itself. Therefore, in view of the fact that such a state of affairs existed in acute form during the period under review, there is offered an opportunity of dealing with that question.

The experience of 1930 demonstrates beyond any question of doubt the ability of the average individual to meet the obligations incurred. While losses have been somewhat increased percentage-wise, while repossessions of cars have likewise increased, and while special efforts have been made to assist individuals to carry through to completion their contracts in one form or another, yet after all the fact is demonstrated, and in an outstanding manner, that looking at the proposition from a broad standpoint, a sound foundation of credit exists. There should no longer arise any uncertainty in the minds of even the most skeptical who will examine the facts, that granted sound policies and effective management, consumer credit has completely justified itself.

Allied Operations

Attention was called in the review of the previous year to acquisitions that the Corporation had made in expanding its activities outside of the automotive industry, namely, stock interests in General Aviation Corporation, Bendix Aviation Corporation and General Motors Radio Corporation. Due to the subnormal activities of the industries in which these acquisitions operate, the results during the year have been disappointing. It is believed, however, that progress has been made and that with the advent of more normal conditions they will fully justify themselves.

COOPERATIVE PLANS

Previous annual reports have dealt with the plans of the Corporation established for the purpose of promoting the effectiveness and well-being of its operating organization. The experience of the year strengthened the conviction that such policies are sound and should be continued in the interest of all.

General Motors Management Corporation

Reference was made in the annual report of the previous year to the formation of General Motors Management Corporation, established by the stockholders for the purpose of fulfilling the same functions in principle, but in somewhat different manner, as were formerly discharged by Managers Securities Company which terminated, so far as its contractual relations with General Motors Corporation were concerned, at the close of the year 1929. Incident to its organization, General Motors Management Corporation purchased from General Motors Corporation certain shares of General Motors stock at \$40 a share, to which transaction reference has been made in the financial review of the year.

Bonus Plan

There was allotted for the year 117,624 shares of Class A stock of General Motors Management Corporation as bonus awards to employes for conspicuous service. Under the contract existing between General Motors Management Corporation and General Motors Corporation, General Motors common stock in the amount of estimated current bonus requirements is purchased by the former from time to time in the open market. General Motors Corporation at the end of the year purchases from General Motors Management Corporation Class A stock equal to the number of shares of General Motors common stock purchased. Class A stock of General Motors Management Corporation, thus obtained, is distributed as bonus awards. This Class A stock is exchangeable, share for share, for common stock of General Motors Corporation at the option of the recipient.

Employes Savings and Investment Plan

The scope of this plan, inaugurated in 1919, and its detailed operations have been dealt with in all annual reports since that date and need not be repeated at this time. Employes savings may be applied to the purchase or building of homes without losing any benefits of the plan whatsoever. Since this plan has been inaugurated more than 39,500 employes have utilized it to assist in the buying and building of homes. At the end of 1930 the seventh class, which was that of 1925, matured and as a result there was paid to 20,009 employes, the following:—

On account of their savings.....	\$2,486,540
On account of 6% interest on savings.....	935,806
On account of amount accumulated in the Investment Fund, representing accumulation on account of contributions made by the Corporation five years ago (this amount is represented by 149,388 shares of \$10 par value common stock of the Corporation at market value at the time of distribution).....	5,284,591
	\$8,706,937
This makes a total value of.....	\$8,706,937

An employe who paid \$300 during the year 1925 received in January, 1931, on maturity, cash and securities having a market value of \$1,054.16. This was made possible by the partnership interest of the employe effected through the investment of the Corporation's contribution in common stock of the Corporation.

Group Insurance Plan

A plan to provide the employes of the Corporation with life insurance was inaugurated in 1926 and amended in 1928 to include accident and health insurance.

During the twelve months under review the Corporation lost 1,304 of its employes through death or permanent disability, on account of which \$2,780,994 was paid to the employes or their dependents. In addition to the life insurance

paid, there were 13,574 employes who received benefits amounting to \$1,053,386 on account of temporary disability resulting from sickness or non-industrial accidents, so that as a result of this plan benefits totalling \$3,834,380 were paid in the year ended December 31, 1930. The Group Insurance Plan is available to all employes of the Corporation after three months' service. At the end of 1930 over 99.5% of the eligible employes were participating in the plan.

Executive Educational Work

Previous reports have dealt at length with this activity. Its importance to the Corporation's future and its contribution to the general effectiveness of the Corporation's operations are fully recognized. Progress is being made.

Housing for Employes

The policy dealt with in detail in previous annual reports continued substantially without change. The activities inaugurated to handle this phase of the Corporation's work are as follows:—Modern Housing Corporation, Modern Dwellings, Ltd., Bristol Realty Company and the New Departure Realty Company. Attention is called to the fact that the assets of these companies are not included in the balance sheet of the Corporation, but the latter's investment is included in the investment in subsidiary and affiliated companies not consolidated as shown on page 23.

GOODWILL AND PATENTS

The changes in this account have already been reported elsewhere. In the report dealing with the activities of the year 1929 reference was made to the general subject of goodwill. This asset, entirely intangible and unrecorded, that exists in an organization like General Motors, which conducts an annual business normally in excess of one and one-quarter billion dollars; which comprises a group of highly specialized manufacturing organizations; which employs normally more than one hundred and seventy-five thousand individuals; and which is supported by a vast dealer organization consisting of more than twenty-six thousand individual outlets is of importance in evaluating the real worth of the institution. Stockholders depend to an important degree upon goodwill to develop the earning power of the more tangible items of real estate, plant, equipment and inventory which would otherwise be inert and unproductive. The year 1930, it may be fairly stated, has added to this important asset.

STOCKHOLDERS

It is extremely gratifying to note the substantial increase of about 65,000 in the number of stockholders during 1930. It is particularly interesting to note the extent to which this ownership is distributed throughout the United States and even throughout the world. An important phase of this development is the fact that approximately 250,000 common stockholders hold an average of more than 50 common shares each. The Management interprets this fact as an expression of the confidence of the public at large in the integrity of the institution and in the honesty of purpose of its operating organization—another measure of good-

will. An important contribution is made to the progress of the Corporation through the cooperation of such a large aggregation of partners who are helpful in so many ways in promoting the Corporation's interest through the sale of its products and otherwise.

The following table shows the growth of the number of stockholders, all classes, by years:—

Year Ended Dec. 31	Number of Stockholders	Year Ended Dec. 31	Number of Stockholders
1917	2,920	1924	66,097
1918	4,739	1925	50,917
1919	18,214	1926	50,369
1920	36,894	1927	66,209
1921	66,837	1928	71,185
1922	65,665	1929	198,600
1923	68,063	1930	263,528

CONCLUSION

The experience of the Corporation's operating organization has been broadened through the problems that have arisen and have had to be dealt with under the unusual conditions prevailing during the year under review. The organization is stronger and better as a result of this experience. While the financial returns were disappointing as compared with the more favorable results of previous years, it must be recognized that performance under such circumstances can not be measured quantitatively in comparison with previous years, but must be considered with regard to the circumstances prevailing. Irrespective of what conclusions stockholders may reach on that point, the fact exists that from many fundamental standpoints the progress of the year was important and will have an influence on the future fully equal to years when the financial return was greater. Higher standards of efficiency with greater effectiveness have been established than ever existed before. The basis exists, therefore, for a more effective capitalization of the Corporation's future opportunities, and the Management has faith in the fact that the opportunities of the future are as great as those of the past.

It is appropriate at this place to record appreciation of the unusual efforts put forth on the part of the entire organization, both at home and abroad during the year, and the courage and aggressiveness with which it has faced and made progress in solving the important problems that presented themselves.

By order of the Board of Directors,

LAMMOT DU PONT
Chairman

ALFRED P. SLOAN, Jr.
President

March 31, 1931

SUMMARY OF CONSOLIDATED INCOME

For the Years Ended December 31, 1930 and 1929

	<u>Year Ended Dec. 31, 1930</u>	<u>Year Ended Dec. 31, 1929</u>
Net Sales	\$983,375,137.05	\$1,504,404,472.17
Profit from operations and income from investments, after all expenses incident thereto, but before providing for depreciation of real estate, plants, and equipment.....	\$214,637,738.52	\$ 337,074,797.21
Provision for depreciation of real estate, plants, and equipment.....	<u>37,715,087.90</u>	<u>35,217,071.47</u>
Net Profit from operations and investments.....	\$176,922,650.62	\$ 301,857,725.74
Non-operating profit (including profit of \$10,057,559.48 from the sale of 1,375,000 shares of General Motors Corporation common capital stock to General Motors Management Corporation)....	<u>10,410,073.97</u>	—
Total Net Profit	<u>\$187,332,724.59</u>	<u>\$ 301,857,725.74</u>
Less provision for:		
Employes savings and investment fund.....	\$ 10,399,450.39	\$ 11,964,533.56
Deduct profit on investment fund stock reverting to General Motors Corporation.....	<u>2,902,120.69</u>	<u>5,981,249.97</u>
Employes savings and investment fund—net.....	\$ 7,497,329.70	\$ 5,983,283.59
Payment to General Motors Management Corporation (in 1929, provision for employes bonus and amount due Managers Securities Company).....	<u>9,870,557.88</u>	<u>20,363,671.58</u>
Special payment to employes under stock subscription plan.....	<u>69,890.00</u>	<u>72,120.00</u>
Total.....	<u>\$ 17,437,777.58</u>	<u>\$ 26,419,075.17</u>
Net Income before Income Taxes	\$169,894,947.01	\$ 275,438,650.57
Less provision for United States and foreign income taxes.....	<u>16,128,700.51</u>	<u>28,120,907.81</u>
Net Income for the Year	<u>\$153,766,246.50</u>	<u>\$ 247,317,742.76</u>
General Motors Corporation's Proportion of Net Income	\$153,766,246.50	\$ 245,970,393.05
Dividends on preferred and debenture capital stocks:		
Preferred—\$5 series.....	\$ 4,369,560.81	\$ —
Seven per cent preferred.....	5,055,965.57	9,266,047.55
Six per cent preferred.....	47,483.50	88,142.00
Six per cent debenture.....	<u>65,650.50</u>	<u>124,491.50</u>
Total.....	<u>\$ 9,538,660.38</u>	<u>\$ 9,478,681.05</u>
Amount Earned on Common Capital Stock	<u>*\$144,227,586.12</u>	<u>*\$ 236,491,712.00</u>

* NOTE: Including the General Motors Corporation's equity in the undivided profits or the losses of Yellow Truck & Coach Manufacturing Company, Ethyl Gasoline Corporation, Vauxhall Motors, Limited, Adam Opel A.G. (since April 1, 1929), Bendix Aviation Corporation (since May 1, 1929), General Aviation Corporation, successor to Fokker Aircraft Corporation of America (since June 1, 1929), and General Motors Radio Corporation (since inception in 1929), the amount earned on the common capital stock is.....

\$141,560,332.29 \$ 238,803,587.18

SUMMARY OF CONSOLIDATED SURPLUS

For the Years Ended December 31, 1930 and 1929

	Year Ended Dec. 31, 1930	Year Ended Dec. 31, 1929
Surplus at beginning of year.....	\$380,560,273.49	\$285,458,594.63
General Motors Corporation's Proportion of Net Income, per Summary of Consolidated Income....	153,766,246.50	245,970,393.05
Equity in earned surplus at December 31, 1928 of General Motors Acceptance Corporation and General Exchange Insurance Corporation; earnings for subsequent years are consolidated.....	—	14,344,529.34
Capital surplus arising through issuance at market price of 40,000 shares of seven per cent preferred capital stock used in connection with acquisition of assets and business of North East Electric Company.....	—	865,444.45
Capital surplus arising through the exchange of six per cent preferred and six per cent debenture capital stocks for seven per cent preferred capital stock.....	13,545.00	60,825.00
Capital surplus transferred to reserve for sundry contingencies, by order of the Board of Directors..	—	60,825.00
Total.....	\$534,340,064.99	\$546,638,961.47
Surplus charges arising through the exchange of seven per cent preferred, six per cent preferred and six per cent debenture capital stocks for preferred capital stock—\$5 series.....	\$ 4,468,996.00	\$ —
Surplus transferred to capital in establishing a value of \$100 a share (the liquidating value) for the preferred capital stock—\$5 series.....	45,567,132.16	—
Total.....	\$ 50,036,128.16	\$ —
Surplus before dividends.....	\$484,303,936.83	\$546,638,961.47
Less cash dividends paid or accrued:		
Preferred capital stock—\$5 series.....	\$ 4,369,560.81	\$ —
Seven per cent preferred capital stock.....	5,055,965.57	9,266,047.55
Six per cent preferred capital stock.....	47,483.50	88,142.00
Six per cent debenture capital stock.....	65,650.50	124,491.50
Total.....	\$ 9,538,660.38	\$ 9,478,681.05
Common capital stock:		
Mar. 12 (\$0.75 on 43,500,000 shares).....	\$ 32,625,000.35	\$ 32,625,004.48
June 12 (\$0.75 on 43,500,000 shares).....	32,625,000.33	32,625,000.90
(\$0.30 extra on 43,500,000 shares in 1929, payable July 2, 1929).....	—	13,050,000.30
Sep. 12 (\$0.75 on 43,500,000 shares).....	32,625,000.30	32,625,000.61
Dec. 12 (\$0.75 on 43,500,000 shares).....	32,625,000.30	32,625,000.39
(\$0.30 extra on 43,500,000 shares in 1929, payable Jan. 3, 1930).....	—	13,050,000.25
Total.....	\$130,500,001.28	\$156,600,006.93
Total cash dividends paid or accrued.....	\$140,038,661.66	\$166,078,687.98
Surplus at end of year.....	\$344,265,275.17	\$380,560,273.49

NOTE: See page 26 for detail of dividend payments made prior to the year 1930.

GENERAL MOTORS CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEET

DECEMBER 31, 1930 AND 1929

ASSETS	Dec. 31, 1930	Dec. 31, 1929
Current Assets:		
Cash.....	\$ 145,713,657.19	\$ 101,085,813.26
United States Government securities.....	33,037,723.34	26,265,716.80
Other marketable securities.....	285,690.93	—
General Motors Management Corporation serial 6% debenture bonds, due March 15, 1931.....	7,000,000.00	—
Sight drafts with bills of lading attached, and C. O. D. items.....	6,707,616.21	13,579,612.93
Notes receivable.....	3,587,079.44	1,977,363.16
Accounts receivable and trade acceptances (less reserve for doubtful accounts: in 1930, \$1,599,419.46; in 1929, \$1,549,335.81).....	28,965,095.57	33,866,864.13
Inventories at cost or market, whichever is lower.....	136,298,890.98	188,472,999.23
Prepaid expenses.....	3,221,742.31	3,712,575.06
Total Current Assets.....	\$ 364,817,495.97	\$ 368,960,944.57
Investments:		
Investments in subsidiary and affiliated companies not consolidated.....	\$ 207,750,253.07	\$ 207,270,443.21
General Motors Management Corporation serial 6% debenture bonds, due subsequent to one year.....	43,000,000.00	—
General Motors Corporation capital stocks held in Treasury for corporate purposes (in 1930, 259,839 shares common, \$10,993,627.53; 11,077 shares \$5 series no par preferred, \$1,026,004.34).....	12,019,631.87	69,929,475.71
Total Investments.....	\$ 262,769,884.94	\$ 277,199,918.92
Fixed Assets:		
Real estate, plants, and equipment.....	\$ 614,030,329.31	\$ 609,880,375.40
Deferred expenses.....	22,246,234.33	18,168,099.58
Goodwill, patents, etc.....	51,949,114.66	50,680,425.62
Total Fixed Assets.....	\$ 688,225,678.30	\$ 678,728,900.60
TOTAL ASSETS.....	\$1,315,813,059.21	\$1,324,889,764.09

LIABILITIES, RESERVES, AND CAPITAL	Dec. 31, 1930	Dec. 31, 1929
Current Liabilities:		
Accounts payable.....	\$ 26,975,870.95	\$ 42,894,666.38
Taxes, payrolls, and sundry accrued items.....	17,915,047.64	22,401,424.35
United States and foreign income taxes.....	17,013,276.00	28,701,485.67
Employees savings funds, payable within one year.....	12,142,368.99	9,010,570.93
Contractual liability to General Motors Management Corporation, due March 10, 1931.....	8,170,557.88	—
Accrued dividends on preferred capital stock.....	1,562,738.31	1,615,015.43
Extra dividend on common capital stock, payable January 3, 1930.....	—	13,050,000.25
Total Current Liabilities.....	\$ 83,779,859.77	\$ 117,673,163.01
Reserves:		
Depreciation of real estate, plants, and equipment.....	\$ 218,656,021.41	\$ 194,094,962.51
Employees investment fund.....	7,995,012.50	9,915,825.00
Employees savings funds, payable subsequent to one year.....	32,326,508.93	32,412,618.49
Employees bonus.....	—	12,539,544.39
Sundry and contingencies.....	5,809,981.43	3,333,577.20
Total Reserves.....	\$ 264,787,524.27	\$ 252,296,527.59
Capital Stock and Surplus:		
Capital stock of General Motors Corporation:		
Preferred, no par value (authorized, 6,000,000 shares; issued, 1,875,366 shares of \$5 series).....	\$ 187,536,600.00	* \$ 138,916,000.00
Common, \$10 par value (authorized, 75,000,000 shares; issued, 43,500,000 shares).....	435,000,000.00	435,000,000.00
Total Capital Stock.....	\$ 622,536,600.00	\$ 573,916,000.00
Preferred stock of subsidiary in hands of public.....	443,800.00	443,800.00
Surplus.....	344,265,275.17	380,560,273.49
Total Capital Stock and Surplus.....	\$ 967,245,675.17	\$ 954,920,073.49
TOTAL LIABILITIES, RESERVES, AND CAPITAL.....	\$1,315,813,059.21	\$1,324,889,764.09

* Represents par value of preferred and debenture capital stocks outstanding December 31, 1929.

HASKINS & SELLS

CERTIFIED PUBLIC ACCOUNTANTS

OFFICES IN THE PRINCIPAL CITIES OF
THE UNITED STATES OF AMERICA

AND IN

LONDON, PARIS, BERLIN, SHANGHAI, MANILA
MONTREAL, HAVANA, MEXICO CITY

CABLE ADDRESS "HASKSELLS"

EXECUTIVE OFFICE

15 BROAD STREET

NEW YORK

General Motors Corporation,
1775 Broadway,
New York.

We have examined your accounts for the year ended December 31, 1930, and for the twelve preceding years, and

WE HEREBY CERTIFY that the accompanying Condensed Consolidated Balance Sheet and related Summaries of Consolidated Income and Surplus in our opinion set forth the financial condition at December 31, 1930 and 1929, and the results of operations for the years ended those dates.

(Signed) HASKINS & SELLS

New York,
February 27, 1931.

DETAIL OF INVESTMENTS IN SUBSIDIARY AND AFFILIATED COMPANIES

In the condensed consolidated balance sheet of General Motors Corporation the investment in subsidiary and affiliated companies not consolidated is carried at \$207,750,253.07 as of December 31, 1930, as compared with \$207,270,443.21 at December 31, 1929. This consists of investments in companies not consolidated in the accounts of the Corporation.

A list of these investments and the value at which they are carried on the books of the Corporation follow:

	Dec. 31, 1930	Dec. 31, 1929
General Motors Acceptance Corporation.....	\$ 78,300,581.93	\$ 76,900,093.32
Yellow Truck & Coach Manufacturing Co.	*30,669,265.01	*30,669,265.01
Ethyl Gasoline Corporation.....	750,000.00	750,000.00
Vauxhall Motors, Limited.....	9,498,630.05	8,695,655.65
Adam Opel A.G.	25,966,705.60	25,965,196.39
Bendix Aviation Corporation.....	15,091,217.31	15,091,217.31
General Aviation Corporation (successor to Fokker Aircraft Corporation of America).....	7,782,342.00	7,782,342.00
General Motors Radio Corporation.....	2,550,000.00	1,530,000.00
General Motors Building Corporation.....	7,532,383.25	8,008,769.83
Argonaut Realty Corporation.....	11,940,451.01	10,823,860.60
 Investment in Housing Facilities:		
Bristol Realty Company.....	318,200.00	318,200.00
House Financing Corporation.....	120,000.00	150,000.00
Modern Dwellings, Limited.....	150,739.62	163,118.43
Modern Housing Corporation.....	9,328,132.78	10,047,912.34
New Departure Realty Company.....	271,801.22	259,719.81
Miscellaneous.....	7,479,803.29	10,115,092.52
 Total Investments in Subsidiary and Affiliated Companies Not Consolidated.....	 \$207,750,253.07	 \$207,270,443.21

* Of this amount, \$9,668,265.01 is represented by Yellow Truck & Coach Mfg. Co. 7% preferred stock.

GENERAL MOTORS ACCEPTANCE CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

DECEMBER 31, 1930

ASSETS

Cash in Banks and on Hand.....		\$ 52,607,148.39
Notes and Bills Receivable:		
United States and Canada.....	\$271,384,392.75	
Overseas.....	48,491,064.48	319,875,457.23
Accounts Receivable:		
Affiliated Corporations.....	\$ 7,187.49	
Others.....	920,193.53	927,381.02
Furniture and Equipment, less depreciation.....		854,603.93
Investments:		
General Exchange Insurance Corporation.....	\$ 8,006,389.78	
Other.....	6,000.00	8,012,389.78
Deferred Charges:		
Unamortized Debt Discount and Expense.....	\$ 1,471,847.13	
Prepaid Discount.....	918,307.78	
Other.....	4,439.21	2,394,594.12
Total Assets		\$384,671,574.47

LIABILITIES

Capital Stock.....		\$ 50,000,000.00
Surplus.....		20,000,000.00
Undivided Profits.....		8,300,581.93
		<u>\$ 78,300,581.93</u>
Ten Year Sinking Fund 6% Gold Debentures due February 1, 1937.....	\$ 50,000,000.00	
Retired through Sinking Fund.....	6,917,000.00	43,083,000.00
Five Per Cent Serial Gold Notes: \$5,000,000.00 due annually March 1, 1931 to 1936.....		30,000,000.00
Notes and Bills Payable:		
Notes, United States.....	\$152,200,000.00	
Notes, Canadian and Overseas.....	25,202,674.94	
Bankers Acceptances Discounted.....	23,483,499.31	
Bills of Exchange Discounted.....	75,312.46	200,961,486.71
Accounts Payable:		
Affiliated Corporations.....	\$ 3,603,650.38	
Others.....	1,932,349.21	5,535,999.59
Accrued Accounts:		
Interest Payable.....	\$ 1,664,974.17	
Federal Income Tax, etc.....	2,047,563.51	3,712,537.68
Dealers' Repossession Loss Reserves.....		6,820,470.65
Unearned Income.....		10,804,603.57
Reserves:		
Receivables.....	\$ 4,502,640.07	
Contingencies.....	500,000.00	
Other.....	450,254.27	5,452,894.34
Total Liabilities		\$384,671,574.47

RECORD OF EARNINGS

Net sales, net income, amount paid in dividends and the amount reinvested in the business since the beginning of General Motors are shown in the following table. Net income and amount reinvested in the business beginning 1922 include General Motors Corporation's equity in the undivided profits or the losses of subsidiary and affiliated companies not consolidated.

Year Ended Dec. 31	Net Sales	Net Income Available for Dividends	Preferred Dividends	Balance Available for Common Stock	Cash Dividends Paid on Common Stock	% Income Disbursed in Cash Dividends on Preferred and Common Stocks	Income Reinvested in the Business
1909†	\$29,029,875	\$9,114,498	\$417,621	\$8,696,877	—	4.58%	\$8,696,877
1910†	49,430,179	10,225,367	642,947	9,582,420	—	6.29%	9,582,420
1911¶	42,733,303	3,316,251	842,074	2,474,177	—	25.39%	2,474,177
1912‡	64,744,496	3,896,293	1,040,211	2,856,082	—	26.70%	2,856,082
1913‡	85,603,920	7,459,471	1,048,534	6,410,937	—	14.06%	6,410,937
1914‡	85,373,303	7,249,734	1,048,679	6,201,055	—	14.47%	6,201,055
1915‡	94,424,841	14,457,803	1,048,964	13,408,839	—	7.26%	13,408,839
1916‡	156,900,296	28,789,560	1,048,964	27,740,596	\$10,730,159	40.91%	17,010,437
1917‡	172,677,499	24,780,916	1,048,964	23,731,952	7,430,302	34.22%	16,301,650
1917§	96,295,741	14,294,482	491,890	13,802,592	2,294,199	19.49%	11,508,393
1918	269,796,829	14,825,530	1,920,467	12,905,063	11,237,310	88.75%	1,667,753
1919	509,676,694	60,005,484	4,212,513	55,792,971	17,324,541	35.89%	38,468,430
1920	567,320,603	37,750,375	5,620,426	32,129,949	17,893,289	62.29%	14,236,660
1921	304,487,243	*38,680,770	-6,310,010	*44,990,780	20,468,276	—	*65,459,056
1922	463,706,733	54,474,493	6,429,228	48,045,265	10,177,117	30.48%	37,868,148
1923	698,038,947	72,008,955	6,887,371	65,121,584	24,772,026	43.97%	40,349,558
1924	568,007,459	51,623,490	7,272,637	44,350,853	25,030,632	62.57%	19,320,221
1925	734,592,592	116,016,277	7,639,991	108,376,286	61,935,221	59.97%	46,441,065
1926	1,058,153,338	186,231,182	7,645,287	178,585,895	103,930,993	59.91%	74,654,902
1927	1,269,519,673	235,104,826	9,109,330	225,995,496	134,836,081	61.23%	91,159,415
1928	1,459,762,906	276,468,108	9,404,756	267,063,352	165,300,002	63.19%	101,763,350
1929	1,504,404,472	248,282,268	9,478,681	238,803,587	156,600,007	66.89%	82,203,580
1930	983,375,137	151,098,992	9,538,660	141,560,332	130,500,002	92.68%	11,060,330
Total	\$11,268,056,079	\$1,588,793,585	\$100,148,205	\$1,488,645,380	\$900,460,157	62.98%	\$588,185,223

NOTES: General Motors Corporation was incorporated October 13, 1916, succeeding General Motors Company, organized September 16, 1908. † Fiscal years ended October 1. ¶ 10 months ended July 31, 1911. ‡ Years 1912-1917, inclusive, are fiscal years ended July 31. § 5 months ended December 31, 1917. * Deficit.

RECORD OF DIVIDEND PAYMENTS

A detailed record of the dividends declared by quarters during 1930, together with the dates of payment, is as follows:

Periods	\$5 Series No Par Pre- ferred Stock	7% Pre- ferred Stock	6% De- benture Stock	6% Pre- ferred Stock	Date of Pay- ment	Stock of Record	Common Stock	Date of Pay- ment	Stock of Record
1st Quar.	\$ —	\$1.75	\$1.50	\$1.50	Feb. 1	Jan. 6	\$0.75	Mar. 12	Feb. 15
2nd Quar.	—	1.75	1.50	1.50	May 1	Apr. 7	0.75	June 12	May 10
3rd Quar.	1.25	1.75	1.50	1.50	Aug. 1	July 7	0.75	Sep. 12	Aug. 16
4th Quar.	1.25	—	—	—	Nov. 1	Oct. 6	0.75	Dec. 12	Nov. 15

The General Motors Company of New Jersey, organized September 16, 1908, paid regular dividends of 7% per annum upon its 7% cumulative preferred stock, without interruption, beginning with an initial payment on April 1, 1909. Since the organization on October 13, 1916 of the present General Motors Corporation of Delaware, which succeeded the General Motors Company of New Jersey, regular quarterly dividends have been paid, without interruption, on the preferred and debenture stocks outstanding from their date of issuance. The initial quarterly dividend of \$1.50 a share on the 6% preferred stock was paid February 1, 1917. The initial quarterly dividend of \$1.50 a share on the 6% debenture stock was paid February 1, 1919. The initial quarterly dividend of \$1.75 a share on the 7% debenture stock was paid May 1, 1920. At a special meeting of stockholders on June 16, 1924, the name of the 7% debenture stock was changed to 7% preferred stock. The initial dividend on the 7% preferred stock was paid November 1, 1924. At a special meeting of stockholders on May 26, 1930 a new class of \$5 preferred stock was offered in exchange for the then outstanding senior securities. This exchange was made on the basis of 1.35 shares of the new \$5 preferred stock for each share of 7% preferred stock; 1.15 shares of new \$5 preferred stock for each share of 6% debenture stock; and 1.10 shares of new \$5 preferred stock for each share of 6% preferred stock. Shares of 7% preferred, 6% debenture and 6% preferred stocks not so exchanged prior to July 22, 1930 were called for redemption on August 1, 1930. The initial dividend on the new \$5 series preferred stock was paid August 1, 1930.

Changes in the capital structure of General Motors Corporation with respect to the nature of its common stock are as follows: When General Motors Corporation of Delaware was organized to succeed General Motors Company, five shares of the common stock of the Corporation, par value \$100, were exchanged for one share of the Company's stock, also par value \$100. On and after March 1, 1920 ten shares no par value common stock were issued in exchange for one share of the old \$100 par value common. On May 1, 1920 there was paid on the \$100 par value common a stock dividend of 1/4 share of the new no par common. During 1920, on May 1, August 2, and November 1, there were paid stock dividends on the no par common, each amounting to 1/40 share of no par common. On account of charter changes, the number of shares of common stock was reduced in 1924 through the exchange of four shares of old stock for one share of new no par value common. On September 11, 1926 a 50% dividend was paid in common stock. During September 1927 two shares of new \$25 par value common stock were issued in exchange for one share of no par value common stock previously outstanding. On and after January 7, 1929, two and one-half shares of new \$10 par value common stock were issued in exchange for one share of \$25 par value common stock previously outstanding.

RECORD OF DIVIDEND PAYMENTS

(Continued)

The payments by years upon the common stock, since the organization of General Motors Corporation of Delaware, the present Corporation, follow:

1917—Common \$100 par, \$10.00. Initial \$1.00 was paid February 1, 1917, and thereafter \$3.00 quarterly to and including February 2, 1920.

1918—Common \$100 par, \$12.00.

1919—Common \$100 par, \$12.00.

1920—Common \$100 par, \$5.50. On and after March 1, 1920 ten shares no par value common exchanged for each share of \$100 par value. Final dividend on \$100 par was \$2.50 cash and $\frac{1}{4}$ share no par stock, paid May 1, 1920.

—Common no par, 75 cents cash and $\frac{3}{40}$ ths of a share of no par value stock. Initial quarterly payment of 25 cents cash and $\frac{1}{40}$ share of no par value stock was made May 1, 1920 and continued on August 2, and November 1, 1920. Stock dividend of $\frac{1}{40}$ share quarterly was discontinued after November 1, 1920.

1921—Common no par, \$1.00.

1922—Common no par, 50 cents. Quarterly dividend due February 1, 1922 was passed at meeting held January 4, 1922. "Special" dividend of 50 cents a share was paid December 20, 1922.

1923—Common no par, \$1.20. Quarterly dividend of 30 cents a share was initiated March 15, 1923 and continued to and including September 12, 1924.

1924—Common no par (old), 90 cents. After payment of three quarterly dividends of 30 cents a share in 1924 the number of shares was reduced by issuing one share of new no par value stock for four shares of old. Initial dividend of \$1.25 on this new no par value stock was paid December 12, 1924.

—Common no par (new), \$1.25.

1925—Common no par, \$12.00. This consisted of extras of \$1.00 paid September 12, 1925 and \$5.00 paid January 7, 1926, in addition to quarterly payments of \$1.50 each.

1926—Common no par (before 50% stock dividend), \$7.50. Quarterly dividends of \$1.75 each were paid March 12, and June 12 and \$4.00 extra was paid July 2. On September 11, a 50% increase in number of no par shares outstanding was made through payment of a stock dividend of $\frac{1}{2}$ share on each share of no par value stock.

—Common no par (after 50% stock dividend), \$7.50. On the increased number of shares quarterly dividends of \$1.75 each were paid September 11 and December 11, and an extra of \$4.00 January 4, 1927.

1927—Common no par, \$8.00. Quarterly dividends of \$2.00 each were paid March 12, June 13, and September 12, and \$2.00 extra was paid July 5. In September two shares of new \$25 par value stock were issued in exchange for each no par share.

—Common \$25 par, \$3.75. Initial quarterly dividend of \$1.25 was paid December 12, and \$2.50 extra was paid January 3, 1928.

1928—Common \$25 par, \$9.50. This consisted of quarterly payments of \$1.25 with \$2.00 extra paid July 3 and \$2.50 extra paid January 4, 1929.

1929—Common \$10 par, \$3.60. In January two and one-half shares of new \$10 par value stock were issued in exchange for each \$25 par value share. Initial quarterly dividend of 75 cents was paid on March 12, regular quarterly dividends were paid on June 12, September 12, and December 12, and two extras of 30 cents each were paid on July 2, 1929 and January 3, 1930.

1930—Common \$10 par, \$3.00.

SALES OF CARS AND TRUCKS

The following table shows sales to consumers of General Motors cars in Continental United States, sales by the manufacturing divisions of General Motors to their dealers in Continental United States, and total sales to dealers, including Canadian sales and overseas shipments:

	United States						Total Sales to Dealers, including Canadian Sales and Overseas Shipments		
	Sales to Consumers			Sales to Dealers			1930	1929	1928
	1930	1929	1928	1930	1929	1928			
January...	74,167	73,989	80,582	94,458	95,441	96,845	106,509	127,580	125,181
February...	88,742	110,148	107,014	110,904	141,222	141,642	126,196	175,148	169,232
March....	123,781	166,942	155,973	118,081	176,510	168,107	135,930	220,391	197,821
April.....	142,004	173,201	170,544	132,365	176,634	161,720	150,661	227,718	197,597
May.....	131,817	169,034	186,892	136,169	175,878	170,388	147,483	220,277	207,325
June.....	97,318	154,437	174,085	87,595	163,704	154,912	97,440	200,754	186,160
July.....	80,147	147,079	142,515	70,716	157,111	135,412	79,976	189,428	169,473
August....	86,426	151,722	151,105	76,140	147,351	149,781	85,610	168,185	186,653
September	75,805	124,723	118,113	69,901	127,220	136,870	78,792	146,483	167,460
October...	57,757	114,408	109,789	22,924	98,559	91,428	28,253	122,104	120,876
November.	41,757	68,893	70,414	48,155	39,745	27,672	57,257	60,977	47,587
December.	57,989	44,216	25,435	68,252	36,482	27,779	80,008	40,222	35,441
Total	1,057,710	1,498,792	1,492,461	1,035,660	1,535,852	1,462,556	1,174,115	1,899,267	1,810,806

The sales by makes of cars by General Motors divisions to dealers for the year ended December 31, 1930, compared with the sales of preceding years, follow:

Passenger Cars:	1930	1929	1928	1927	1926	1925	1924	1923
BUICK.....	121,333	167,939	229,788	268,698	280,009	208,575	166,952	218,286
MARQUETTE.....	6,354	31,475	—	—	—	—	—	—
CADILLAC 8.....	8,728	15,416	20,042	18,639	27,489	22,773	17,905	22,201
CADILLAC 12.....	1,703	—	—	—	—	—	—	—
CADILLAC 16.....	2,594	—	—	—	—	—	—	—
LA SALLE.....	9,729	21,498	21,392	16,371	—	—	—	—
CHEVROLET.....	703,071	988,191	930,935	791,870	620,364	466,485	295,456	464,800
OAKLAND.....	21,943	30,826	45,724	53,922	58,537	45,380	36,512	35,974
PONTIAC.....	70,564	193,622	214,534	140,791	75,836	—	—	—
OLDS.....	49,879	99,435	90,202	58,016	59,536	43,935	45,728	33,356
VIKING.....	2,039	5,902	—	—	—	—	—	—
OTHER*.....	7,682	—	—	—	—	—	—	—
Commercial Cars:								
CHEVROLET.....	160,356	344,963	258,189	209,272	111,781	45,824	19,277	15,326
OTHER*.....	8,140	—	—	5,169	1,298	2,930	5,511	8,515
Totals:								
PASSENGER.....	1,005,619	1,554,304	1,552,617	1,348,307	1,121,771	787,148	562,553	774,617
COMMERCIAL.....	168,496	344,963	258,189	214,441	113,079	48,754	24,788	23,841
MISCELLANEOUS*.....	—	—	—	—	—	—	—	97
Grand Total	1,174,115	1,899,267	1,810,806	1,562,748	1,234,850	835,902	587,341	798,555

* "Passenger Cars—Other" includes cars manufactured by Vauxhall since April 1, 1930 and by Opel since July 1, 1930, which were not included in published figures prior to these dates. "Commercial Cars—Other" includes lines not now manufactured; includes GMC trucks to the end of April, 1925, when the General Motors Truck Division was transferred to Yellow Truck & Coach Mfg. Co., the operations of which are not consolidated in the accounts of General Motors Corporation; and includes commercial cars manufactured by Vauxhall since April 1, 1930 and by Opel since July 1, 1930, which were not included in published figures prior to these dates. "Miscellaneous" includes tractors not now manufactured.

NUMBER OF STOCKHOLDERS

The total number of stockholders, 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	72,665	71,331	65,665
1923	67,115	67,417	68,281	68,063
1924	70,009	71,382	69,428	66,097
1925	60,458	60,414	58,118	50,917
1926	54,851	53,097	47,805	50,369
1927	56,520	57,595	57,190	66,209
1928	72,986	70,399	71,682	71,185
1929	105,363	125,165	140,113	198,600
1930	240,483	243,428	249,175	263,528

OVERSEAS SALES

Sales abroad by the Export and Overseas Organizations of General Motors follow:

Year Ended Dec. 31	Number of Cars and Trucks	Net Sales Wholesale
1922	21,872	\$19,875,015
1923	45,000	39,193,869
1924	64,845	50,929,322
1925	100,894	77,109,696
1926	118,791	98,156,088
1927	193,830	171,991,251
1928	282,157	252,152,284
1929	256,721	243,046,031
1930	164,112	155,728,304

General Motors manufacturing plants abroad are located in Rüsselsheim, Germany (Adam Opel A. G.) and in Luton, England (Vauxhall Motors, Ltd.). Assembly plants are located in London, England; Copenhagen, Denmark; Stockholm, Sweden; Antwerp, Belgium; Berlin, Germany; Buenos Aires, Argentina; São Paulo, Brazil; Montevideo, Uruguay; Port Elizabeth, South Africa; Adelaide, Brisbane, Melbourne, Perth and Sydney, Australia; Wellington, New Zealand; Osaka, Japan; Batavia, Java, and Bombay, India. Warehousing operations are located in Madrid, Spain; Paris, France; Alexandria, Egypt; Shanghai, China, and Warsaw, Poland.

EMPLOYEES SAVINGS AND INVESTMENT FUNDS

A summary of the condition of unmatured Classes of the Employees Savings and Investment Funds at December 31, 1930 (including the Class of 1925 which matured December 31, 1930), and of the results of the matured Classes since establishment of the plan in 1919, follows:

Employees Savings Fund	Class 1927	Class 1928	Class 1929	Class 1930	Total Unmatured Classes (1925 to 1930 Inclusive)	Total Matured Classes (1919 to 1924 Inclusive)	Aggregate All Classes (1919 to 1930 Inclusive)
Net amount paid in by employees.....	\$ 12,539,615	\$ 17,832,370	\$ 19,485,130	\$ 15,751,385	\$ 75,029,910	\$ 17,077,335	\$ 92,107,245
Interest credited by Corporation.....	2,115,879	2,170,427	1,486,579	419,824	8,538,493	3,567,204	12,105,697
Total	<u>14,655,494</u>	<u>20,002,797</u>	<u>20,971,709</u>	<u>16,171,209</u>	<u>83,568,403</u>	<u>20,644,539</u>	<u>104,212,912</u>
Withdrawals by employees.....	5,011,704	6,491,252	5,016,519	—	19,901,575	10,048,723	29,950,298
Balance credited to employees.....	<u>9,643,790</u>	<u>13,511,545</u>	<u>15,955,190</u>	<u>16,171,209</u>	<u>*63,666,828</u>	<u>10,595,816</u>	<u>74,262,644</u>
 Employees Investment Fund							
Amount paid in and invested by Corporation.....	6,269,807	8,916,185	9,742,565	7,875,693	37,514,955	12,995,257	50,510,212
Income received.....	1,693,273	866,680	423,433	—	8,229,119	11,283,667	19,512,786
Total	<u>7,963,080</u>	<u>9,782,865</u>	<u>10,165,998</u>	<u>7,875,693</u>	<u>45,744,074</u>	<u>24,278,924</u>	<u>70,022,998</u>
Withdrawals by employees.....	551,798	520,351	197,179	—	1,733,384	1,646,534	3,379,918
Balance	<u>7,411,282</u>	<u>9,262,514</u>	<u>9,968,819</u>	<u>7,875,693</u>	<u>44,010,690</u>	<u>22,632,390</u>	<u>66,643,080</u>
Amount guaranteed to employees (50% of Savings Fund balance credited to employees; 100% prior to 1922 Class)	<u>4,821,895</u>	<u>6,755,772</u>	<u>7,977,595</u>	<u>8,085,605</u>	<u>31,833,414</u>	<u>7,410,046</u>	<u>39,243,460</u>
Amount reverting to Corporation (balance in Investment Fund after deducting amount guaranteed to employees)	<u>2,589,387</u>	<u>2,506,742</u>	<u>1,991,224</u>	<u>—</u>	<u>12,387,188</u>	<u>7,355,245</u>	<u>19,742,433</u>

NOTE: Under the 1919, 1920 and 1921 Plan the Corporation guaranteed to the employees in the Investment Fund an amount equal to one hundred per cent of their credits in the Savings Fund. Forfeitures in the Investment Fund on account of withdrawals did not revert to the Corporation. Beginning with the Class of 1922, the Plan was amended to provide that thereafter forfeitures in the Investment Fund revert to the Corporation and that the Corporation guarantee that the Investment Fund at maturity shall equal an amount equivalent to fifty per cent of the Savings Fund credits. The amount paid into the 1930 Investment Fund Class was not invested until 1931. The above figures do not include separate Funds established by foreign subsidiaries.

* Includes amounts applied by employees to purchase of homes.

PAYROLLS AND NUMBER OF EMPLOYEES

The annual payrolls of General Motors Corporation, for 1921 and subsequent years, not including certain affiliated companies, such as Yellow Truck & Coach Manufacturing Company and Fisher Body Corporation prior to the acquisition of the minority interest as of June 30, 1926, have been as follows:

1921.....\$ 66,020,481	1924.....\$110,478,000	1928.....\$365,352,304
1922..... 95,128,435	1925..... 136,747,178	1929..... 389,517,783
1923..... 138,290,734	1926..... 220,918,568	1930..... 279,410,144
	1927..... 302,904,988	

The number of employes of the Corporation, not including certain affiliated companies, for 1930 and prior years has been as follows:

1909...14,250	1913...20,042	1918...49,118	1922... 65,345	1927...175,666
1910...10,000	1914...14,141	1919...85,980	1923... 91,265	1928...208,981
1911...11,474	1915...21,599	*1920...80,612	1924... 73,642	1929...233,286
1912...16,584	1916...25,666	1921...45,965	1925... 83,278	1930...172,938
	1917...25,427		**1926...129,538	

* Beginning with the year 1920 figures shown in this table are averages for the year.
 ** Average for 1926 does not include Fisher Body prior to June 30.

BONUS AWARDS

Each year there is credited to a bonus fund a percentage of the Corporation's net earnings after deducting 7% on the capital invested in the business. Prior to 1923 the sum so credited to the bonus fund was 10% of the net earnings of the Corporation. Since 1923, at which time the Managers Securities Company was organized, the amount set aside for the bonus plan has been 5%. The fund is invested in General Motors common stock or its equivalent. Since the organization of General Motors Management Corporation in 1930, bonus stock has been awarded in Class A stock of General Motors Management Corporation which is equivalent, share for share, to General Motors common stock. At the end of each year stock is awarded to employes on the basis of the degree to which their services individually have contributed to the success of the Corporation. Stock so awarded is delivered one-fourth at the time of the award and the balance in three equal annual instalments. A record of the awards follows:

Year	Number of Bonus Awards	Number of Shares of Common Stock Awarded (b)	Year	Number of Bonus Awards	Number of Shares of Common Stock Awarded (b)
1918.....	3,884.....	490,238	1925.....	943.....	345,320
1919.....	6,453.....	402,485 (c)	1926.....	1,513.....	428,170
1920.....	6,578.....	159,312 (c)	1927.....	1,998.....	272,798
1921.....	(a).....	(a)	1928.....	2,513.....	195,570
1922.....	550.....	179,732	1929.....	2,840.....	167,378
1923.....	647.....	226,278	1930.....	1,929.....	117,624
1924.....	676.....	115,272			
			Total	30,524	3,100,177

(a) No bonus was available for the year 1921.

(b) Equivalent number of shares on basis of \$10 par value common stock.

(c) In addition to the common stock awarded in 1919 and 1920, 18,934 shares of 7% preferred stock were awarded, of which 14,191 shares applied to the 1919 awards and 4,743 shares to the 1920 awards.

