

TWENTY-FOURTH ANNUAL REPORT OF  
GENERAL MOTORS CORPORATION  
YEAR ENDED DECEMBER 31, 1932

TWENTY-FOURTH

*Annual Report*

*of*

GENERAL MOTORS  
CORPORATION

Year Ended  
December 31, 1932

As prepared for presentation to stockholders at the Annual  
Meeting to be held in Wilmington, Delaware  
Tuesday, April 25, 1933

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## TO THE STOCKHOLDERS:

EVERY effort has been made in developing the annual reports from year to year to present all salient facts of a general and economic character to enable the stockholders to obtain as comprehensive an understanding as possible of the year's operations. On account of the unusual circumstances existing at the moment, particular consideration has been given to that policy in the current report. In addition to the usual treatment of the subject there has been added a review of the effects of three years of the current industrial depression on the Corporation's operating position. It is hoped that this will prove interesting and instructive.

### A FINANCIAL REVIEW

The consolidated balance sheet and summary of consolidated income of General Motors Corporation and subsidiary companies for the year ended December 31, 1932, are submitted herewith. Attention is called to the fact that the accounts of certain subsidiary and affiliated companies are not consolidated in the accounts of the Corporation. A list of such companies, not consolidated, is set forth in detail on page 26.

**Earnings:** Net earnings from operations for the year 1932, after full depreciation charges as hereafter set forth, were \$164,979. This compares with earnings of \$115,220,507 from operations for the year 1931, before deduction, however, of extraordinary and non-recurring losses other than those of an operating nature, of \$20,574,514, equivalent after taxes, to \$18,343,400, resulting in earnings of \$96,877,107 available for dividends.

The net earnings from operations for the year 1932 of \$164,979 are after deducting a non-operating loss totalling \$1,802,565, of which \$711,585 is due to a further revaluation of securities held by the General Exchange Insurance Corporation to current market and \$1,090,980 due to further provision for foreign exchange losses. These have not been segregated in the earnings statement of 1932 as was done in the case of the year 1931.

**Dividends:** Regular dividends were declared on the preferred stock during the year requiring \$9,206,387. This resulted in a net charge to surplus of \$9,041,408, equivalent to \$0.21 per share on the common stock outstanding. In 1931, after deducting corresponding dividends on the preferred stock, there remained net earnings for that year of \$87,501,208, equivalent to \$2.01 per share of common stock outstanding. Dividends of \$1.25 per share were paid on the common stock during the year 1932 consisting of a payment of \$0.50 per share in March and quarterly payments of \$0.25 per share in June, September and December. There resulted a further charge to surplus of \$53,993,330, making a total charge to surplus on account of both preferred and common dividends in excess of earnings of \$63,034,738.

Surplus as of December 31, 1932 was \$238,231,744. This compares with the corresponding item at the close of the previous year of \$301,266,482.

A complete record of the earnings of the Corporation, as well as dividend disbursements for the year under review and prior years, is shown on page 29 of this report.

**Net Working Capital:** For ready reference the following table shows briefly all consolidated working capital items as of December 31, 1932, as compared with corresponding items as of December 31, 1931:-

CURRENT ASSETS	Dec. 31, 1932	Dec. 31, 1931
Cash, U. S. Government and other marketable securities.....	\$172,780,695	\$205,029,119
G. M. Management Corp. 6% bonds, due March 15, 1932.....	—	3,125,000
Sight drafts.....	4,126,901	6,079,681
Notes and accounts receivable.....	27,591,756	33,778,023
Inventories.....	75,478,612	106,471,332
Prepaid expenses.....	3,280,910	4,019,424
Total Current Assets.....	<u>\$283,258,874</u>	<u>\$358,502,579</u>
CURRENT LIABILITIES		
Accounts payable and accrued liabilities .	\$ 40,566,749	\$ 49,843,025
U. S. and foreign income taxes.....	498,466	14,339,501
Employees savings funds, payable within one year.....	15,193,660	14,875,637
Contractual liability to G. M. Management Corp., due March 10, 1932.....	—	3,965,688
Accrued preferred dividends.....	1,562,805	1,562,805
Total Current Liabilities.....	<u>\$ 57,821,680</u>	<u>\$ 84,586,656</u>
Net Working Capital.....	<u>\$225,437,194</u>	<u>\$273,915,923</u>

It will be noted that net working capital at the end of 1932 was \$225,437,194 as compared with \$273,915,923 at the end of 1931—a decrease of \$48,478,729. This decrease in net working capital as of December 31, 1932 is accounted for principally by a reduction of \$63,034,738 as a result of the excess of dividend disbursements over earnings during the year and, secondarily, by an excess of \$19,323,776 in withdrawals from Employees Savings Fund accounts over receipts as explained in greater detail below. These unfavorable factors affecting net working capital were to some extent offset by a decrease in net plant account, described below, which had a favorable effect of \$34,354,371 on the Corporation's net working capital position.

Reference to the Corporation's consolidated balance sheet will disclose the fact that under its regular accounting procedure the amount of Employees Savings

Funds payable within one year is reflected under Current Liabilities. This item is estimated as of December 31, 1932 to be \$15,193,660. This compares with \$14,875,637 at the corresponding period of a year ago. The operations of the Employees Savings and Investment Plan were suspended as of April 30, 1932, after which no further amounts were received by the Corporation from its employees. The subnormal operations of the Corporation during the year under review, due to the generally unfavorable economic conditions prevailing, resulted in materially reduced employees' earnings as well as elimination of personnel. Therefore, there followed unusual withdrawals from the Savings Funds during the year, likewise necessitating provision for probable increased withdrawals during the year 1933. This fact, together with the suspension of the plan, accounts for the unfavorable effect of the operations of the plan upon net working capital during the year in the amount previously stated. Payments against Employees Savings Funds payable subsequent to one year are shown in the form of a reserve which, on the balance sheet of December 31, 1932, was \$11,907,362. The corresponding item at the close of the year 1931 was \$31,231,138. The extent to which net working capital can be further adversely affected on account of subsequent withdrawals is now limited to \$11,907,362.

Cash, United States Government and other marketable securities as of December 31, 1932 amounted to \$172,780,695. This compares with \$205,029,119 at the close of the previous year and with \$179,037,071 as of December 31, 1930.

**Real Estate, Plant and Equipment Account:** Before certain special adjustments between real estate, plant and equipment account and reserves for depreciation applicable thereto and hereafter described in detail, the total real estate, plant and equipment account was \$592,694,766, which is \$11,406,044 less than the corresponding item a year ago. Depreciation reserves show a net increase as a result of the year's operations of \$22,948,327. Therefore, there results a net decrease in real estate, plant and equipment account, after deducting these reserves, of \$34,354,371. Sales, removals or abandonment of property during the year amounted to \$16,395,345.

Attention is called to the fact that total charges for depreciation against earnings in the year were \$37,173,647. This is a decrease of \$792,084 from corresponding charges of \$37,965,731 for 1931—the latter constituting the largest annual charge against earnings on account of depreciation in the history of the Corporation. The lowered depreciation charge amounting to a reduction of 2.1% as compared with the previous year is accounted for by the lower average gross plant account in 1932 due to the sale or abandonment of certain plant assets.

It is the practice of the Corporation to carry real estate, plant and equipment items at cost and to set up adequate amounts for depreciation. In addition to such depreciation charges there is absorbed against current operating revenue, liberal charges for maintenance, while dies, tools and fixtures applicable to specific models are written off during the life of the model usually within one year.

The question very naturally arises, in view of the adjustments in values that have taken place as a result of the economic depression, as to whether or not the reserves established by the Corporation from year to year are adequate to reflect properly any reduction in value of the real estate, plant and equipment account that



may develop under existing circumstances. Unquestionably, these circumstances in extent are of temporary character, but the degree to which that is true is impossible to state with certainty at this time. Consolidations and eliminations of a portion of the Corporation's plant are a natural and necessary sequence to a situation through which all industry is at the moment passing, so that there results property that temporarily at least is unusable. In order that facts might be available with respect to these questions, a study has been made during the year under review, with the following result:-

**It can be stated that the reserves set up for depreciation are sufficient to write down to salvage value all real estate, plant and equipment which has become completely idle and further, to readjust the values of all plant which remains in operation to its 1932 reproductive value less depreciation.**

Having established the above facts, the following action has been taken with respect to same:-

**Surplus real estate, plant and equipment in the amount of \$115,491,946, previously carried at cost, has been adjusted to estimated salvage value of \$22,779,411, the difference of \$92,712,535 being charged against reserves for depreciation, which have already been provided, so that the net book value of the plant account amounting to \$328,273,745 remains unchanged.**

The effect of the above will be (a) a readjustment in the real estate, plant and equipment account in the form of a reduction of \$92,712,535—from \$592,694,766 to \$499,982,231, with a corresponding reduction in the reserve for depreciation from \$264,421,021 to \$171,708,486 which will reflect more correctly present conditions; (b) since such items have been reduced to their salvage value they will no longer be depreciated, so that in the future the annual provision for depreciation applicable to real estate, plant and equipment will be reduced by approximately \$7,000,000. It should be noted that this adjustment will involve no change in the Corporation's depreciation policy with respect to annual depreciation rates as applied to the several classes of property.

At such time and to such extent as economic conditions improve, requiring the operation of plant, unusable under present conditions, the policy will be to reinstate in the accounts the then values of such properties, and to amortize such values over their remaining useful life by charges against operations for depreciation—thus to maintain the accuracy of the Corporation's cost accounting. There is certainly no economic justification in reducing the value of current usable assets below their sound reproductive value—such as placing a nominal value on same, eliminating in that way, in whole or in part, depreciation not only actually but essentially a part of the cost of production, hence uneconomically inflating future stated profits. The cost of sales should reflect at all times a depreciation charge based upon the useful life of such real estate, plant and equipment and other items essential to production. The selling price should reflect in principle, among other factors, a reasonable return on capital invested in all essential productive capacity. In no other way can a sound economic foundation be established.

**Investments in Subsidiary and Affiliated Companies not Consolidated:** During the year there were no material changes in the Corporation's investments in subsidiary and affiliated companies. It will be recalled that as of December 31, 1931, and as pointed out in the annual report covering that year, investments in certain subsidiary and affiliated companies, not consolidated, were adjusted to reflect General Motors proportion of the undivided profits or losses of those subsidiaries for the year 1931. The increase or decrease in investments in the Corporation's various subsidiary and affiliated companies applicable to the year 1932 is due (a) to the reflection of the Corporation's proportion of the undivided profits or losses of the subsidiary or affiliated companies for the year; (b) to investments that may have been made in same or disposed of within the year.

Investments in subsidiary and affiliated companies, not consolidated, are shown at the close of the year as \$211,030,901, against \$211,548,200 for the previous year—a reduction of \$517,299. As in the case of real estate, plant and equipment, already dealt with, the question arises as to the present worth of such items under the unusual circumstances existing at the moment. Since these investments are, in general, of permanent character to be retained in the normal course of business, and since the major portion of same represents wholly owned subsidiaries, there are difficulties in establishing a basis upon which an acceptable appraisal may be made. Recognizing these difficulties, however, a survey has been made which indicates that while under existing subnormal conditions certain items may be over-valued, others are unquestionably under-valued. The conclusion of this survey which appraised these items on various bases was that the value as a whole as reported in the balance sheet is substantially correct at this time.

**Capital Account:** There were no changes during the year.

## AN OPERATING REVIEW

It was stated under this heading in the annual report covering the year 1931, that the automotive industry, constituting the most important part of the Corporation's sphere of activity, as well as industry in general, suffered a declining trend and that the close of that year showed no substantial evidence of any improvement in that trend. This statement of fact applicable to 1931 is all the more true with respect to the year 1932, during the first half of which the rapidity of the decline was greater than at any previous period since the industrial depression commenced. In view of the fact that an important part of the Corporation's products is sold during the first six months, there resulted a very sharp decline in the Corporation's sales for the year. Somewhat of an improvement took place during the months of August, September and October but, unfortunately, this proved to be of temporary character. The year closed, therefore, as will be dealt with more in detail later in this report, with a reduction with respect to both number of units and dollar value of same, of approximately 45% as compared with 1931.

It naturally follows that a shrinkage in volume of such a substantial amount on top of important reductions applying to both the years 1930 and 1931 presented a problem of the first magnitude to the operating organization on account of the

vital necessity of maintaining a balanced budget in order that the economic position of the Corporation and its financial strength should not be jeopardized. Therefore, further reductions in personnel were unavoidable; reductions in salaries and wages likewise; consolidation of operations; in fact, a general reorganization of the Corporation's operating plan became of vital concern in order that the objective just mentioned might be realized. This has required important sacrifices on the part of not only the executive staff but every member of the organization, however or wherever placed. It is gratifying to be able to state that all these necessary readjustments have been accepted with a full appreciation of their necessity and with the maintenance of loyalty to the Corporation which has been such an important influence in developing it to the position it now holds.

In accordance with its yearly custom, the Corporation recently presented to the public its offerings in the form of an entirely new line of automotive products for the year 1933. At the time of writing this report it is too early to definitely evaluate, in a statistical way, the acceptance of these products, but from such information as is now available, it can be said that never before in the history of the Corporation has there been such an outstanding and enthusiastic acceptance of its products, both from the standpoint of their technical excellence and progress as well as from the standpoint of their artistic conception.

P Such an important reduction in volume as is now being experienced injects into the situation important limitations of action. Notwithstanding such limitations the policy will be to in no way circumscribe technical progress which must not only be maintained but accelerated, if possible. This is because around technical progress the Corporation's products must be developed and upon the excellence of those products it must depend for its share in a highly competitive market. Furthermore, upon that same foundation is built the ability of the industry of which the Corporation is an important part, to obtain its share of the field of transportation. The objective, therefore, must be the continual development of more attractive, more efficient and more economical products, resulting in not only increased value for the dollar but what is of even greater importance, values for a smaller number of dollars in harmony with the reduced resources of the various markets which are being served.

**Operating Facts and Figures:** Net sales, excluding inter-company and inter-divisional transactions, amounted to \$432,311,868 as compared with \$808,840,723 during the year 1931—a reduction of 46.6%. Total sales to dealers, including Canadian and overseas sales, amounted to 562,970 units as against 1,074,709 for the year 1931—a reduction of 47.6%. Stocks of new cars and trucks in the hands of dealers in the United States were reduced 37,201 units during the year 1932 with a corresponding adverse influence on 1932 sales to dealers. Based upon automotive registrations in the United States, the Corporation secured 41.5% of all passenger car registrations and 40.4% of the total passenger and commercial car registrations. This compares with 43.3% and 41.6% in 1931 and with 34.5% and 33.7% in the year 1930.

Reference has already been made to the introduction of the 1933 line of General Motors automotive products which were developed during the year 1932 and in which are incorporated many important changes, both of a technical and artistic character. In general these offerings represent increased values at a de-

creased number of dollars. Moreover, there has been added an additional series through the Chevrolet Motor Division at a smaller number of dollars than ever before equalled in the history of the Corporation.

The Corporation's 1933 line of passenger cars from the Chevrolet up to and including the Cadillac V-12 are offered in eighty-nine body types, with list prices ranging from \$445 to \$4,845. The Cadillac V-16 will hereafter be entirely custom built—there being sixty-one possible model suggestions with prices ranging from \$6,250 to \$10,600. The full line of the Corporation's products with the price range of each, is listed below.

	Price Range
Chevrolet 6—Standard.....	\$ 445—\$ 475
Chevrolet 6—Master.....	485— 565
Pontiac 8.....	585— 695
Oldsmobile 6.....	745— 855
Oldsmobile 8.....	845— 955
Buick 8-50.....	995— 1,115
Buick 8-60.....	1,270— 1,585
Buick 8-80.....	1,495— 1,845
Buick 8-90.....	1,785— 2,055
La Salle 8.....	2,245— 2,645
Cadillac 8.....	2,695— 4,145
Cadillac 12.....	3,395— 4,845
Cadillac 16.....	6,250—10,600

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## THE INDUSTRIAL DEPRESSION

### Its Economic and Operating Influences

The year 1932 may be considered as the third year of the current industrial depression. On account of the depression's severity, its duration and the adjustments that are likely to permanently result therefrom, the question naturally arises in the mind of the stockholder as to its influence, current and prospective, on the security of the investment and the future prospective earning power of same. Therefore, it was thought that it might be helpful to the stockholders if a resume were presented dealing with the effects of the depression on the economic position of the Corporation as well as its influence on the Corporation's operating policies.

The problem that a situation of this character presents to an institution like General Motors is to control its operations as well as to adjust its course so as to carry through the period, irrespective of how long or short it may be, in such manner as to protect most effectively the broad interests of the stockholders. By the broad interests of the stockholders is meant maintenance of a strong financial position; continuation of a dividend disbursement, but only to the extent that the financial position is not weakened; reduction in expense with lowered product costs; aggressiveness in improving the technical position and artistic conception of the Corporation's products through advanced research and engineering; maintaining and strengthening of the Corporation's personnel both in effectiveness and in morale; sympathetic cooperation with the problems of the dealer organization, and improving all relationships with the public—all in order that the institution may go forward aggressively when the period of adjustment has been completed. In the innumerable questions of policy which have arisen with respect to all phases of the Corporation's activities, the principle has been recognized that conditions and circumstances have changed. To what extent they are of a permanent or to what extent of a temporary character is not yet known, but it is of vital necessity that in all things management should adjust the Corporation's position to such changed circumstances, irrespective of past thinking, for even outside of the direct interest of the stockholders and the management's responsibility to same, it is of vital moment that industry be kept in as effective an operating position as possible. An employer sound from both the financial and operating standpoints is essential to the interests of the employee as well as of the community at large.

Before dealing with the specific questions involved, a measure of the effect of the depression on the trend of sales in units and dollar value of the automotive industry as a whole will be helpful in presenting a better appreciation of the problem. The following table displays the production of the automotive industry in the United States and Canada, as well as of assembly plants operated abroad, both in terms of units and in terms of estimated retail sales value thereof in dollars for twelve years up to and including 1932.

## PRODUCTION OF AUTOMOTIVE INDUSTRY UNITED STATES AND CANADA

Total Cars and Trucks

	Number	Estimated Retail Sales Value
1921	1,682,365	\$1,684,325,000
1922	2,646,229	2,393,685,000
1923	4,180,450	3,460,365,000
1924	3,737,786	3,160,496,000
1925	4,427,800	4,025,243,000
1926	4,505,661	4,291,781,000
1927	3,580,380	3,605,442,000
1928	4,601,141	4,222,337,000
1929	5,621,715	4,774,822,000
1930	3,510,178	2,839,014,000
1931	2,472,359	1,904,586,000
1932	1,431,544	1,047,307,000

The above indicates that production in 1932 as compared with 1929—the year the depression set in and the largest year that the automotive industry has as yet enjoyed—showed a decline of 78% in terms of dollar sales and 75% in terms of unit sales. Again, in examining still further into the history of the automotive industry we must go back to the year 1918 or 14 years to find a rate of production less than 1932. In that connection it is important to note that at that time there were 6,147,000 cars in current use in the United States as compared with approximately 24,100,000 cars as of 1932.

The above statement together with the additional fact that the total registration of motor cars has been but slightly reduced during the depression period and that gasoline consumption has been well maintained—reaching an all time peak in 1931 and recording a reduction of only 7.5% for the year 1932—demonstrates that there is being rapidly depleted an important amount of motor car mile inventory. Further, the economic position of the motor car as an instrumentality of transportation is being continually strengthened by technical progress and increased efficiency in manufacture with resulting increased economy in both first cost and operating cost as well as in convenience—hence a general broadening of its range of operation and utility. In addition to this, nothing has appeared on the economic horizon that is in any sense of the word likely to challenge its leadership. Certainly no industry could be based on a stronger foundation of economic necessity, nor is it possible to conceive of any industry having a more important lien next to the essential items of food, clothing and shelter on the purchasing power of the community.

It is therefore not only reasonable to assume, but to expect with certainty, that when the period of readjustment is over the automotive industry will not only maintain its position as the world's most important industry but its rate of recovery will be accelerated by the depreciation and obsolescence of existing equipment which has taken place during the years of subnormal production.

There is no escaping the conviction, therefore, from whatever angle the question may be approached, that the inherent strength of the automotive industry remains unshaken and that its opportunities for far greater usefulness in the future are assured.

Notwithstanding the natural reflection of the circumstances of the period under review on the Corporation's profit position, earnings available for dividends amounted to \$248,141,078. In no one of the three years in question has a loss been recorded. There was disbursed in dividends a total of \$343,114,279—\$28,120,946 applicable to preferred stock and \$314,993,333 to common stock. This means that there was distributed an excess of dividends over earnings available for dividends of \$94,973,201. The policy with respect to the disbursement of dividends in periods of subnormal activity and reduced earnings incident to same, has been stated to be that the Corporation owes a responsibility to its stockholders and through its stockholders to the community at large to maintain maximum possible purchasing power, hence to continue dividends at such a rate as circumstances may seem to justify, but only to the point where the financial strength of the Corporation is not jeopardized. The maintenance of that position must always be the first consideration.

Net working capital, notwithstanding the above disbursements, has been reduced \$25,850,588 during the period. Cash and cash investments have been increased \$45,429,165—from \$127,351,530 as of December 31, 1929 to \$172,780,695 as of December 31, 1932. Further, there has been absorbed in cost and charged to depreciation during the period a total of \$112,854,466 resulting, after giving weight to property sold, removed and abandoned in excess of property acquired, in a total increase during the period in reserves for depreciation of \$70,326,058 before the special adjustment already described.

To sum up the economic and financial changes that have occurred during the period, we find that notwithstanding dividend disbursements, cash and cash investments have been increased; working capital has been but slightly reduced; depreciation has been fully maintained at the Corporation's standard rates; or, in other words, the objectives set forth at the beginning of this statement have been substantially achieved.

Reduction in variable or controllable expense has been a continuous problem during the period and has been kept well in line with reduction in volume. During the first two years this took the form of curtailment and elimination of certain activities as well as reduction in personnel. During the last year it became necessary to deal with the problem more fundamentally through reorganization and consolidation. As a result of the policies just outlined the break-even point has been continually reduced and in 1933, based upon the Corporation's budgetary estimates for that year, further progress will be effected.

During the period research and engineering activities have been aggressively continued, for upon advanced products the Corporation must depend to maintain its position in a highly competitive industry. The 1933 products already referred to in this report are a direct reflection of that policy. The competitive position of the Corporation is a measure of the technical excellence of its products as well as the effectiveness of its distributing organization. During the period there has been an improvement in this regard as indicated by the increased proportion of new

passenger car registrations represented by the Corporation's products. In 1929 there was secured 32.8% of the total passenger car business; in 1930, 34.5%; in 1931, 43.3%; in 1932, 41.5%.

Entirely apart from the influence of the depression period on the operations and policy of the Corporation itself and yet intimately associated with same, is its influence on the operating personnel, upon the efficiency and ability of which depends the degree of success which the Corporation will achieve, as well as its ability to carry through the present difficult period.

It has always been considered—and that policy still holds—that the interest of the stockholders is most effectively served through an operating personnel of the highest order of ability and aggressiveness possible to obtain and through liberally rewarding such talent in proportion to the productivity of its efforts as measured by the returns produced for the stockholders. In good times such rewards are, very properly, generous, as they are to the stockholders. In times of subnormal activity and reduced earnings, frequently accompanied, as in the present circumstances, with a substantial reduction in the cost of living, it is eminently proper that the compensation of the personnel should be likewise adjusted.

In line with this thinking there has been a reduction in salaries on a sliding scale of from 20% to 30%, as well as a reduction in the base wage scale. All supplementary profit sharing plans as applied to the executive group become, under such circumstances, automatically non-operative, and the Employees Savings and Investment Plan has been suspended. Reductions in both salaries and wages were effected with great regret as a vital part of the necessary adjustments and with the recognition of the fact that in so doing the spread between the necessities of life and income was narrowed, resulting in a decline in ability to purchase many things important to the American standard of living. Full appreciation of the importance of this fact will, it is hoped, lead to a readjustment at the earliest moment that circumstances make possible.

A brief statement as to effects of the Employees Savings and Investment Plan, which has been a part of the Corporation's cooperative programs for many years past, should be of interest because it is confidently believed that an important contribution both in method and in fact has been made in answering industry's social obligations to its workers in times of stress. The personnel of the Corporation entered 1930, at the beginning of the industrial depression, as a result of the previous five years' contribution to the Employees Savings and Investment Plan, with a reserve of approximately \$75,000,000, representing in reality a cash reserve of that amount. In addition to this, there was an equity of approximately \$15,000,000 which had been diverted to the purchase of homes under the provision of the plan or, in other words, savings of approximately \$90,000,000 were available. During the three year period, 1930 to 1932 inclusive, there has been withdrawn a total of \$78,000,000. There were further payments made into the fund by employees and the Corporation from January 1, 1930 up to April 30, 1932, at which time the plan was suspended, which, together with interest and dividends, amounted to \$48,000,000 and at the end of 1932 there was still available \$47,000,000 to meet the contingencies of the future, to which should be added \$13,000,000 remaining equity in the purchase of homes or a total of \$60,000,000.



This survey of the influences of the industrial depression would not be complete without reference to the effects of same on the economic position of the twenty thousand dealers which constitute the Corporation's distributing system and who represent the Corporation, so far as its contacts with the public are concerned, in practically every community of consequence throughout the United States.

Naturally, such an important shrinkage in volume as has been experienced, with the consequent reduction in gross income incident to same, presents a problem to each and every dealer similar in general characteristics to those that have arisen within the Corporation itself. The years 1920 to 1930 inclusive, constituted a period of expansion of practically all of the Corporation's activities. During that time its competitive position was increased from approximately 16% in 1920 to 33.7% in 1930 with a still further increase to 40.4% in 1932 and its sales in number of units from 393,000 in 1920 to a maximum approaching 1,900,000 in 1929. This meant a policy of intense concentration, otherwise such a result would have been impossible. As a part of that policy of concentration the activities of the dealer group were, to an important degree, limited to the sale of one of the Corporation's line of products. During the first two years of the period in question, it was recognized by both the dealer organization and the Corporation that overhead or the cost of doing business must of necessity be reduced in proportion to the reduced volume. Very constructive results were obtained in this general direction. Early in the year 1932, however, the third year under review, it was recognized that with the continuance of the depression and its probable increasing intensity more drastic action was essential. Therefore, during that year a general reorganization of the relationships between the Corporation's products and its dealers was initiated consisting of the consolidation within many dealerships of more than one line of products—the objective being the establishment and maintenance of a more economic relationship between income and expense—both of the latter being measured with respect to current circumstances.

The problem presented was one of extreme difficulty but, as in the case of the Corporation itself, it was recognized that the only way to adequately meet such a situation was to face the facts and to aggressively and as intelligently as possible—respecting to the fullest extent the equities of the various interests involved—do those things that would preserve in as effective a manner as possible, the large investments involved as well as their earning power. It is gratifying to be able to state that this adjustment has, to a material extent, been effected. The Management has at all times recognized the importance of dealer stability and has striven earnestly to do those things that will build up and strengthen the economic position and effectiveness of this most important instrumentality upon which it must completely depend for the distribution of its products to the individual purchaser.

## OPERATING DEVELOPMENTS

On account of the subnormal rate of activity during the year, practically no operating expansion has taken place, changes largely being in the nature, as already stated, of consolidations having in view a better coordination of the Corporation's operating properties.

### **General Motors Overseas**

In view of the important position that the Corporation has developed in its overseas operations, a statement with respect to that phase of its activities may be of interest. On page 33 is presented a summary of overseas sales, from which it will be noted that there was a reduction in net wholesale value of such sales from \$110,525,817 in 1931 to \$64,722,593 in 1932 and in terms of number of cars and trucks sold from 125,606 in 1931 to 77,159 in 1932. In order that some appreciation may be had of the important shrinkage in overseas business that has taken place, it may be stated, for ready reference, that the maximum yet reached in overseas business was in the year 1928, at which time the net wholesale value amounted to \$252,152,284 and in number of cars and trucks sold to 282,157. The trend of overseas business at the moment indicates that it is likely to become stabilized at substantially current volume until the next upward movement takes place. It is hardly to be expected, however, that any material increase can be hoped for until in some way or other constructive action is taken to remove or reduce the many restrictions on international commerce now existing, such as depreciated currencies, restrictions on exchange, tariff barriers and embargoes.

Stockholders have been advised from time to time as to the development of the Corporation's position with respect to manufacturing activities overseas, particularly in Germany and England. In the year under review the operations conducted in Germany through Adam Opel A. G. at Rüsselsheim, have been further restricted due to the economic conditions prevailing in that country. Notwithstanding this fact, Adam Opel A. G. has well maintained its competitive position in its particular market.

In England the Corporation's operations are on a somewhat smaller scale than in Germany. It was deemed advisable, however, to expand in a moderate way the Corporation's activities in England which are conducted as Vauxhall Motors Ltd., Luton, England. The enlarged program was well along toward completion at the close of the year and the indications were that it would prove beneficial not only toward strengthening the Corporation's position in England but also within the entire British Empire.

### **General Motors Acceptance Corporation**

It has been the custom to refer in all annual reports to this activity, the operations of which have always been important and, under existing adverse circumstances, particularly so. The year's operations while adversely affected by reduction in volume, nevertheless resulted in a substantial net profit. Credit losses have increased, as well as reposessions of cars, as compared with the more prosperous years of the past. Nevertheless the credit and repossession losses are relatively small, which fact justifies the conclusion that even under the adverse circumstances a sound foundation of consumer credit remains.

### **COOPERATIVE PLANS**

Previous annual reports have dealt at length with various plans and programs that have been established from time to time for the purpose of promoting the effectiveness and well-being of the Corporation's operating personnel. It has been stated that the fundamental objective in all these plans has been to help the indi-

vidual to help himself; to make him a better citizen; to give him the opportunity to become independent. Reference has been made in other parts of this report to the financial operation of certain of these plans to which might be added the general statement that continued experience has served to strengthen the conviction that such plans are sound and to the interest of the stockholders as well as of the workers.

### **General Motors Management Corporation**

This Corporation was formed in 1930, as covered in the annual report of that year, for the purpose of interesting the Corporation's executive staff in the ownership of the Corporation's securities, the underlying principle being that the efficiency and effectiveness of management is enhanced and stimulated through direct participation in the results of its own endeavors.

Due to the low level of earnings of General Motors Corporation in 1932 no earnings will accrue in 1933 to the Management Corporation under its contract with General Motors Corporation, dated March 12, 1930. It was stated in the annual report of 1931 that the Management Corporation was able to retire only \$3,125,000 of the \$7,000,000 in bonds due March 15, 1932—the balance of \$3,875,000 being extended for a period of two years from that date. Since the Management Corporation will not receive any earnings under its contract above stated with respect to the year 1932, a further deficiency with respect to bond retirement in the amount of \$7,000,000 at March 15, 1933, will result. The contract existing between General Motors Corporation and the Management Corporation, already referred to, dated March 12, 1930 provides, among other things, that under certain conditions the retirement of bonds may be deferred. These conditions exist at present. Therefore, the bonds due on March 15, 1933 to the amount of \$7,000,000, referred to above, will be extended to a time when the Management Corporation will have funds available for their retirement.

In addition to the situation existing with respect to the retirement of the Management Corporation bonds, all as explained above, the reduction in the rate of the General Motors dividend made it possible to meet the interest payment, maturing on September 15, 1932, only in part. After applying all of the dividends received, payment of the balance amounting to \$508,750 was deferred until dividends are received sufficient to cover current requirements and make up the deficiency. General Motors Corporation's income through interest from the Management Corporation reflects only \$1,610,000, the amount applicable to the interest accrual for the year 1932 which the Management Corporation was able to pay out of dividends received on General Motors common stock.

### **Bonus Plan**

The Bonus Plan, as has been pointed out in previous reports, provides a reward for conspicuous service to those individuals who have contributed outstandingly to the progress of the Corporation during each year. Before any distribution takes place, however, there must be earned 7% on the capital employed by the Corporation. In view of the fact that 7% was not earned during the year under review, no bonus will be available for distribution. In order to make any bonus available for distribution earnings must amount to approximately \$1.10 per share of common stock.

### Employees Savings and Investment Plan

This plan was inaugurated in 1919 and its detailed operations have been dealt with in all annual reports since that date. At the close of 1932 the ninth class of the Savings and Investment Fund, which was that of 1927, matured and as a result there was paid to 29,972 employees, the following:-

On account of their savings.....	\$4,607,665
On account of 6% interest on savings.....	1,732,128
On account of Investment Fund credits contributed by the Corporation, as follows:-	
To employees electing to receive their Investment Fund credits in cash .....	1,009,765
To employees electing to receive their Investment Fund credits in stock (this amount is represented by 163,746 shares of \$10 par value common stock of the Corporation at market value at maturity of class).....	2,160,131
This makes a total of.....	<u>\$9,509,689</u>

An employee who paid in \$300 in the year 1927 will receive cash and securities having a total value equivalent to \$621.52 or 2.07 times the original investment of \$300. It has been pointed out elsewhere in this report that the Savings and Investment Plan was suspended as of April 30, 1932.

### Group Insurance Plan

During 1932 the Corporation lost 1,048 of its employees through death or permanent disability on account of which payments totalling \$2,273,306 were approved for the benefit of such employees or their dependents and, in addition, there were 9,834 employees who received benefits amounting to \$827,739 on account of temporary disability resulting from sickness or non-industrial accidents. Under the Group Insurance Plan approved claims for the benefit of the Corporation's employees and their families, have totalled \$16,491,080 from the inception of the plan on December 1, 1926 up to and including December 31, 1932. The Group Insurance Plan is available to all employees of the Corporation after three months' service. At the end of 1932 over 99% of eligible employees were participating.

### Education and Training

Activity was continued during the year in accordance with this plan as dealt with in previous annual reports although on a reduced scale commensurate with the general reduction in all the Corporation's activities.

### Housing for Employees

The point has been made in previous reports that the policy of the Corporation with respect to this type of activity is not in any sense one of expansion but rather of liquidation of its investment in the course of time by the sale of present property holdings.

The subnormal employment characteristic of the year's operations resulting in reduced working hours and elimination of personnel presented a problem of

considerable magnitude to the Corporation's subsidiaries dealing with housing. There developed an increasing number of cancellations of house contracts and inability to maintain payments on others. In an endeavor to keep as many houses as possible in the hands of buyers during the period of the depression—certainly to the interest of the Corporation as well as that of its operating personnel—and at the same time to collect such interest and principal on outstanding contracts as under the existing circumstances was equitable, changes were made in housing contracts as of April 1, 1932, modifying the interest rate and establishing a relationship between monthly payments and earnings.

## GOODWILL AND PATENTS

This account as reported in the balance sheet amounted, as of December 31, 1932 to \$51,839,436, showing a decrease of \$99,721 from December 31, 1931. The Corporation's standard accounting practice interprets goodwill as the difference between the purchase price and book value of properties acquired, and patents as representing the cost of acquisition to the Corporation less subsequent amortization.

It will be noted from the above interpretation that this account represents only to a very minor degree the real intangible value of a group of highly specialized manufacturing organizations with its executive personnel normally employing more than 175,000 individuals, supported by a vast distributing organization of dealers, the quality and excellence of whose products are well established not only in every community of the United States but throughout the entire world.

## PUBLIC RELATIONS

It is recognized that the Corporation's most vital relationship is with the public. Its success depends on a correct interpretation of the public's needs and viewpoints as well as on the public's understanding of the motives that actuate the Corporation in everything it does.

In order to formulate its policies in harmony with this basic principle, no effort is being spared to analyze and evaluate the public, forming the Corporation's actual and potential customers, in its thinking with respect to all things in which the Corporation plays a part.

This represents, however, but one phase of the Corporation's public relations policy, for, while it is essential that the Corporation understand the public, it is equally essential that the public understand the Corporation. Goodwill is established and maintained not alone by excellence of product and service, but by a combination of this with public knowledge and acceptance of the policies of the Corporation.

The correct interpretation of such policies to the public is regarded as a primary function of management. Progressive industry today places the formulation of sound public relations policies on a parity with the formulation of other major policies. In fact, it goes further and recognizes that every forward step in procedure should be subjected, whenever possible, to advance appraisal from the standpoint of the public interest in order to ensure any contemplated action meeting with public acceptance.

The Corporation is keenly alive to the importance of this responsibility to the public.

## STOCKHOLDERS

In line with the general trend since the Corporation was founded, the year records another important increase in the total number of stockholders which, at the close of the year, totalled 365,985—a gain of 52,868.

It is gratifying to any management and it is beneficial to any institution like General Motors, to have as wide a distribution as possible of its ownership, indicating as it does, confidence of the public at large in the future of the institution and the honesty of purpose and effectiveness of its management. The number of stockholders of all classes at the close of each year since 1917 is displayed on page 36.

## CONCLUSION

It was stated in the annual report of 1931 that the difficulties and problems of that year were unusual. To a very important extent that statement applies even more forcibly to the year under review. The financial returns necessarily are disappointing to the stockholders. This is even more true with respect to those who have been carrying the operating burden, who have labored as never before to deal with those problems and difficulties in aggravated form—characteristic of the present circumstances. Performance under existing conditions cannot be measured quantitatively in comparison with years in which the circumstances were so entirely different, but must be considered with respect to the prevailing conditions. Appraising the year's results from that standpoint it can be stated that the accomplishments have been important in meeting the continual decline in volume; in the maintenance of the financial strength of the Corporation; in the continuance of a common dividend disbursement, even if at a reduced rate; and in the marked advance in the effectiveness of the Corporation's products which were developed and brought into production during the period under review.

It is particularly fitting under the circumstances, as outlined, to record the appreciation of the unusual efforts put forth and the sacrifice to the cause made on the part of the entire personnel, both at home and abroad, during the year, of its loyalty and faith not only in General Motors as an institution but in each other—important considerations in carrying through to what all believe to be a bigger and brighter future.

It is the purpose of this report to record important events of interest to the stockholders which occurred during the year under review. It is not within its province to forecast or discuss probabilities for the year 1933.

By order of the Board of Directors,

LAMMOT DU PONT  
*Chairman*

ALFRED P. SLOAN, JR.  
*President*

March 15, 1933.

# SUMMARY OF CONSOLIDATED INCOME

## For the Years Ended December 31, 1932 and 1931

	Year Ended Dec. 31, 1932	Year Ended Dec. 31, 1931
<b>Net Sales</b> .....	<u>\$432,311,868.49</u>	<u>\$808,840,723.07</u>
<b>Profit</b> from operations and income from investments (including the Corporation's proportion of the net profits or losses of subsidiary and affiliated companies not consolidated) after all expenses incident thereto, but before providing for de- preciation of real estate, plants, and equipment. . . . .	\$ 43,075,727.05	\$180,754,466.35
Provision for depreciation of real estate, plants, and equipment .....	37,173,646.54	37,965,731.05
<b>Net Profit</b> from operations and investments .....	<u>\$ 5,902,080.51</u>	<u>\$142,788,735.30</u>
Extraordinary and non-recurring losses in 1931, includ- ing provision for revaluation of the Corpora- tion's net working capital abroad to dollar value basis and for revaluation of security investments to market value as of December 31, 1931 .....	—	20,574,514.27
<b>Total Net Profit</b> .....	<u>\$ 5,902,080.51</u>	<u>\$122,214,221.03</u>
<b>Less</b> provision for:		
Employees savings and investment fund .....	\$ 2,793,990.86	\$ 9,362,031.87
Guaranteed settlement of 1927 Investment Fund Class, maturing December 31, 1932 .....	2,219,155.33	—
Total .....	<u>\$ 5,013,146.19</u>	<u>\$ 9,362,031.87</u>
Deduct profit (loss) on investment fund stock reverting to General Motors Corporation .....	*337,470.48	2,282,010.21
Employees savings and investment fund—net .....	\$ 5,350,616.67	\$ 7,080,021.66
Payment to General Motors Management Corpora- tion .....	—	3,965,688.30
Special payment to employees under stock subscrip- tion plan .....	36,154.00	55,420.00
Total .....	<u>\$ 5,386,770.67</u>	<u>\$ 11,101,129.96</u>
<b>Net Income before Income Taxes</b> .....	\$ 515,309.84	\$111,113,091.07
<b>Less</b> provision for United States and foreign income taxes .....	284,710.99	14,342,683.81
<b>Net Income for the Year</b> .....	<u>\$ 230,598.85</u>	<u>\$ 96,770,407.26</u>
<b>General Motors Corporation's Proportion of Net Income</b>	<u>\$ 164,979.00</u>	<u>\$ 96,877,107.26</u>
Dividends on preferred capital stock—\$5 series (in 1932, less dividends applicable to stock held in Treasury) .....	9,206,386.68	9,375,899.19
<b>Amount Earned (Loss) on Common Capital Stock</b> .....	<u>*\$9,041,407.68</u>	<u>\$ 87,501,208.07</u>
<b>Amount Earned (Loss) Per Share of Common Capital Stock</b> (based on an average of 43,133,570 shares outstanding during 1932) is:		
Before extraordinary and non-recurring losses in 1931 ..	\$*0.21	\$2.43
After extraordinary and non-recurring losses in 1931 ..	\$*0.21	\$2.01

\*Loss

# SUMMARY OF CONSOLIDATED SURPLUS

For the Years Ended December 31, 1932 and 1931

	Year Ended Dec. 31, 1932	Year Ended Dec. 31, 1931
<b>Earned Surplus</b> at beginning of year.....	\$301,266,482.18	\$344,265,275.17
General Motors Corporation's Proportion of Net Income, per Summary of Consolidated Income.....	164,979.00	96,877,107.26
<b>Earned Surplus</b> before dividends.....	\$301,431,461.18	\$441,142,382.43
<b>Less</b> cash dividends paid or accrued:		
Preferred capital stock—\$5 series.....	\$ 9,376,830.00	\$ 9,375,899.19
Common capital stock:		
Mar. 12 (\$0.50 on 43,500,000 shares in 1932).....	\$ 21,750,000.23	\$ 32,625,000.28
June 13 (\$0.25 on 43,500,000 shares in 1932).....	10,875,000.09	32,625,000.26
Sep. 12 (\$0.25 on 43,500,000 shares in 1932).....	10,875,000.08	32,625,000.26
Dec. 12 (\$0.25 on 43,500,000 shares in 1932).....	10,875,000.08	32,625,000.26
Total.....	\$ 54,375,000.48	\$130,500,001.06
Total cash dividends paid or accrued..	\$ 63,751,830.48	\$139,875,900.25
Less amount received or accrued by General Motors Corporation on capital stock held in Treasury in 1932 (on common \$381,670.09; on preferred \$170,443.32).	552,113.41	—
Net cash dividends paid or accrued...	\$ 63,199,717.07	\$139,875,900.25
<b>Earned Surplus</b> at end of year .....	\$238,231,744.11	\$301,266,482.18

NOTE: See page 30 for detail of dividend payments made prior to the year 1932.



# GENERAL MOTORS

## CONDENSED CONSOLIDATED

DECEMBER 31

### ASSETS

#### Current Assets:

	Dec. 31, 1932	Dec. 31, 1931
Cash.....	\$ 151,152,747.40	\$ 119,842,358.05
United States Government securities at market...	19,327,083.07	74,615,058.90
Other marketable securities (short term).....	2,300,864.67	10,571,701.93
General Motors Management Corporation serial 6% debenture bonds, due March 15, 1932 ....	—	3,125,000.00
Sight drafts with bills of lading attached, and C. O. D. items.....	4,126,900.90	6,079,681.32
Notes receivable.....	2,762,869.71	3,514,559.68
Accounts receivable and trade acceptances (less reserve for doubtful accounts: in 1932, \$2,533,294.57; in 1931, \$2,324,511.32).....	24,828,886.55	30,263,463.38
Inventories at cost or market, whichever is lower..	75,478,611.93	106,471,331.79
Prepaid expenses.....	3,280,909.79	4,019,424.02
<b>Total Current Assets.....</b>	<b>\$ 283,258,874.02</b>	<b>\$ 358,502,579.07</b>

#### Investments:

Subsidiary and affiliated companies not consolidated, and miscellaneous (Schedule 1).....	\$ 211,030,901.15	\$ 211,548,200.02
General Motors Management Corporation serial 6% debenture bonds at face value (Schedule 1).....	39,875,000.00	39,875,000.00
General Motors Corporation capital stock held in Treasury for corporate purposes (in 1932, 562,284 shares common, \$8,641,349.00; 38,222 shares \$5 series no par preferred, \$3,167,431.88)	11,808,780.88	12,512,536.92
<b>Total Investments.....</b>	<b>\$ 262,714,682.03</b>	<b>\$ 263,935,736.94</b>

#### Fixed Assets:

Real estate, plants, and equipment.....	\$ 499,982,231.29	\$ 604,100,810.42
Deferred expenses.....	17,433,417.91	21,788,939.06
Goodwill, patents, etc.....	51,839,435.97	51,939,156.67
<b>Total Fixed Assets.....</b>	<b>\$ 569,255,085.17</b>	<b>\$ 677,828,906.15</b>

<b>TOTAL ASSETS.....</b>	<b>\$1,115,228,641.22</b>	<b>\$1,300,267,222.16</b>
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NOTE: Notes and accounts receivable as of December 31, 1932, as shown above include amounts of \$5,779,897.55 due from General Motors Acceptance Corporation on account of current financing of sales of the Corporation's product (including in-transit items), \$754,069.96 representing current accounts due from subsidiary and affiliated companies not consolidated, and \$93,278.90 due from officers and employees.

# S C O R P O R A T I O N

## ATED BALANCE SHEET

1932 AND 1931

### LIABILITIES, RESERVES, AND CAPITAL

#### Current Liabilities:

	Dec. 31, 1932	Dec. 31, 1931
Accounts payable.....	\$ 22,990,606.65	\$ 33,671,795.81
Taxes, payrolls, and sundry accrued items.....	17,576,143.13	16,171,229.33
United States and foreign income taxes.....	498,465.74	14,339,500.65
Employees savings funds, payable within one year	15,193,659.68	14,875,636.70
Contractual liability to General Motors Management Corporation, due March 10, 1932.....	—	3,965,688.30
Accrued dividends on preferred capital stock....	1,562,805.00	1,562,805.00
<b>Total Current Liabilities.....</b>	<b>\$ 57,821,680.20</b>	<b>\$ 84,586,655.79</b>

#### Reserves:

Depreciation of real estate, plants, and equipment	\$ 171,708,486.15	\$ 241,472,694.11
Employees investment fund.....	939,079.45	6,830,260.00
Employees savings funds, payable subsequent to one year.....	11,907,361.81	31,231,137.60
Sundry and contingencies.....	9,590,843.85	10,006,511.72
<b>Total Reserves.....</b>	<b>\$ 194,145,771.26</b>	<b>\$ 289,540,603.43</b>

#### 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	\$ 187,536,600.00
Common, \$10 par value (authorized, 75,000,000 shares; issued, 43,500,000 shares).....	435,000,000.00	435,000,000.00
<b>Total Capital Stock.....</b>	<b>\$ 622,536,600.00</b>	<b>\$ 622,536,600.00</b>
Interest of minority stockholders in subsidiary companies with respect to capital and surplus.....	2,492,845.65	2,336,880.76
Earned surplus.....	238,231,744.11	301,266,482.18
<b>Total Capital Stock and Surplus.....</b>	<b>\$ 863,261,189.76</b>	<b>\$ 926,139,962.94</b>

### TOTAL LIABILITIES, RESERVES, AND CAPITAL.....

\$1,115,228,641.22      \$1,300,267,222.16

# INVESTMENTS

Schedule 1

December 31, 1932 and 1931

	Dec. 31, 1932	Dec. 31, 1931
<b>Investments in Wholly Owned Companies which are Carried at Net Worth as Shown by the Books of the Several Companies:</b>		
General Motors Acceptance Corporation .....	\$ 79,490,138.15	\$ 77,224,158.10
General Motors Building Corporation.....	6,661,371.98	7,137,151.09
Argonaut Realty Corporation.....	11,388,336.09	11,637,123.43
Modern Housing Corporation.....	9,489,577.28	8,769,733.91
Modern Dwellings, Limited.....	145,535.44	144,987.98
New Departure Realty Company.....	285,150.04	287,896.46
Miscellaneous Subsidiary Companies.....	2,572,167.02	2,914,236.57

**Investments in Subsidiary and Affiliated Companies which are Carried at Cost Adjusted to Include the Corporation's Proportion of Undivided Profits or Losses Subsequent to December 31, 1930:**

Yellow Truck and Coach Manufacturing Company (includes \$9,668,265.01 representing 7% preferred stock).....	26,981,371.42	28,874,986.98
Ethyl Gasoline Corporation.....	(Cr.) 635,714.44	231,909.25
Vauxhall Motors, Limited.....	9,631,991.94	8,845,710.33
Adam Opel A. G. ....	33,733,414.44	34,667,708.48
Bendix Aviation Corporation.....	14,645,717.54	14,920,226.27
General Aviation Corporation.....	6,510,255.72	6,914,525.83
General Motors Radio Corporation (in liquidation)	1,334,620.00	1,588,847.10

**Investments in Miscellaneous Companies which are Carried at Cost:**

General Motors Management Corporation common stock.....	1,451,490.91	1,315,377.91
Libbey-Owens-Ford Glass Company 5% serial gold notes.....	2,500,000.00	3,500,000.00
Miscellaneous.....	4,845,477.62	2,573,620.33

**Total Investments in Subsidiary and Affiliated Companies Not Consolidated, and Miscellaneous.....**

\$211,030,901.15      \$211,548,200.02

**General Motors Management Corporation Serial 6% Debenture Bonds at Face Value.....**

\$\*39,875,000.00      \$ 39,875,000.00

\*These bonds constitute a prior lien on 1,375,000 shares of General Motors Corporation common stock, of which 43,588 shares have been advanced to General Motors Corporation against an equal number of Management Class B shares owned by General Motors Corporation, leaving as security for these bonds 1,331,412 shares of General Motors Corporation common stock having a market value at December 31, 1932, of \$17,474,782.50; as well as a prior lien on the Management Corporation's share of future earnings of General Motors Corporation under contract dated March 12, 1930.

# HASKINS & SELLS

CERTIFIED PUBLIC ACCOUNTANTS

15 BROAD STREET  
NEW YORK

February 21, 1933.

General Motors Corporation,  
1775 Broadway, ~  
New York.

Dear Sirs:

We have examined your accounts for the year ended December 31, 1932, and for the fourteen preceding years.

In our opinion the accompanying Condensed Consolidated Balance Sheet and related Summaries of Consolidated Income and Surplus set forth the financial condition at December 31, 1932 and 1931, and the results of operations for the years ended those dates.

Yours truly,

HASKINS & SELLS

# GENERAL MOTORS ACCEPTANCE CORPORATION AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEET

DECEMBER 31, 1932

### ASSETS

Cash in Banks and on Hand.....		\$ 43,281,372.03
Cash held by Sinking Fund Trustee for payment of 6% Gold Debentures previously called for redemption.....		668,135.00
Notes and Bills Receivable:		
United States and Canada.....	\$122,216,307.73	
Overseas.....	9,494,203.89	131,710,511.62
Accounts Receivable:		
Affiliated Corporations.....	\$ 116,876.67	
Other.....	875,643.50	992,520.17
Automobile Equipment.....		339,594.00
Investments:		
General Exchange Insurance Corporation.....	\$ 6,730,039.04	
Other.....	6,000.00	6,736,039.04
Deferred Charges:		
Unamortized Debt Discount and Expense.....	\$ 642,863.22	
Prepaid Discount.....	53,432.62	
Other.....	78,009.56	774,305.40
<b>Total Assets.....</b>		<b>\$184,502,477.26</b>

### LIABILITIES

Capital Stock.....		\$ 50,000,000.00
Surplus.....		20,000,000.00
Undivided Profits.....		9,490,138.15
		\$ 79,490,138.15
Ten Year Sinking Fund 6% Gold Debentures:		
Due February 1, 1937.....	\$ 50,000,000.00	
Retired or called for redemption..	\$20,000,000.00	
Previously called, not presented..	655,000.00	19,345,000.00
	\$*30,655,000.00	
Purchased and held in Treasury.....	752,000.00	29,903,000.00
Five Per Cent Serial Gold Notes:		
\$5,000,000 due annually March 1, 1933 to 1936 ..	\$ 20,000,000.00	
Purchased and retired.....	\$ 500,000.00	
Purchased and held in Treasury..	242,000.00	742,000.00
		19,258,000.00
Notes and Bills Payable:		
Notes, United States.....	\$ 24,202,000.00	
Notes, Canada and Overseas.....	8,448,672.98	
Bankers' Acceptances Discounted.....	670,000.00	33,320,672.98
Accounts Payable:		
Affiliated Corporations.....	\$ 4,337,904.04	
Other.....	839,146.08	5,177,050.12
Accrued Accounts:		
Interest Payable.....	\$ 1,052,166.70	
Federal Income Tax, etc.....	706,271.49	1,758,438.19
Dealers' Repossession Loss Reserves.....		8,786,630.16
Unearned Income.....		4,745,672.74
Reserves:		
Notes and Bills Receivable.....	\$ 1,817,088.66	
Other.....	245,786.26	2,062,874.92
<b>Total Liabilities.....</b>		<b>\$184,502,477.26</b>

\* \$30,000,000.00 principal amount have been called for redemption February 1, 1933 at 102.

## 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 Divi- dends 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
1931	808,840,723	96,877,107	9,375,899	87,501,208	130,500,001	144.38%	*42,998,793
1932	432,311,868	164,979	9,206,387	*9,041,408	53,993,330	—	*63,034,738
<b>Total</b>	<b>\$12,509,208,670</b>	<b>\$1,685,835,671</b>	<b>\$118,730,491</b>	<b>\$1,567,105,180</b>	<b>\$1,084,953,488</b>	<b>71.40%</b>	<b>\$482,151,692</b>

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 1932, together with the dates of payment, is as follows:

Periods	\$5 Series, No Par Preferred Stock	Date of Payment	Stock of Record	Common Stock	Date of Payment	Stock of Record
1st Quar.	\$1.25	Feb. 1	Jan. 4	\$0.50	Mar. 12	Feb. 13
2nd Quar.	1.25	May 2	Apr. 2	0.25	June 13	May 14
3rd Quar.	1.25	Aug. 1	July 5	0.25	Sep. 12	Aug. 13
4th Quar.	1.25	Nov. 1	Oct. 10	0.25	Dec. 12	Nov. 11

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  $\frac{1}{4}$  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  $\frac{1}{40}$  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.
- 1931—Common \$10 par, \$3.00.
- 1932—Common \$10 par, \$1.25. This consisted of payment of 50 cents on March 12, and three quarterly payments of 25 cents each on June 13, September 12, and December 12.



## 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					
	1932	1931	1930	1932	1931	1930	1932	1931	1930
January..	47,942	61,566	74,167	65,382	76,681	94,458	74,710	89,349	106,509
February..	46,855	68,976	88,742	52,539	80,373	110,904	62,850	96,003	126,196
March...	48,717	101,339	123,781	48,383	98,943	118,081	59,696	119,195	135,930
April....	81,573	135,663	142,004	69,029	132,629	132,365	78,359	154,252	150,661
May.....	63,500	122,717	131,817	60,270	136,778	136,169	66,739	153,730	147,483
June.....	56,987	103,303	97,318	46,148	100,270	87,595	52,561	111,668	97,440
July.....	32,849	85,054	80,147	31,096	78,723	70,716	36,872	87,449	79,976
August...	37,230	69,876	86,426	24,151	62,667	76,140	30,419	70,078	85,610
September	34,694	51,740	75,805	23,545	47,895	69,901	30,117	58,122	78,792
October..	26,941	49,042	57,757	5,810	21,305	22,924	10,924	25,975	28,253
November	12,780	34,673	41,757	2,405	23,716	48,155	5,781	29,359	57,257
December	19,992	53,588	57,989	44,101	68,650	68,252	53,942	79,529	80,008
<b>Total.....</b>	<b>510,060</b>	<b>937,537</b>	<b>1,057,710</b>	<b>472,859</b>	<b>928,630</b>	<b>1,035,660</b>	<b>562,970</b>	<b>1,074,709</b>	<b>1,174,115</b>

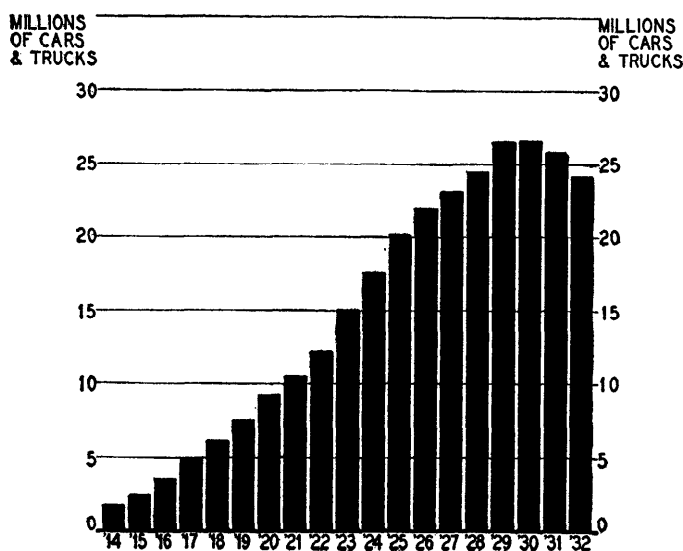
The sales by makes of cars by General Motors divisions to dealers for the year ended December 31, 1932, compared with the sales of preceding years, follow:

	1932	1931	1930	1929	1928	1927	1926	1925
<b>Passenger Cars:</b>								
BUICK.....	47,664	95,354	127,687	199,414	229,788	268,698	280,009	208,575
CADILLAC 8-12-16....	5,667	9,484	13,025	15,416	20,042	18,639	27,489	22,773
LA SALLE.....	3,586	5,775	9,729	21,498	21,392	16,371	—	—
CHEVROLET.....	319,626	644,214	703,071	988,191	930,935	791,870	620,364	466,485
OLDSMOBILE.....	22,724	49,779	49,879	99,435	90,202	58,016	59,536	43,935
PONTIAC (OAKLAND)...	48,926	91,604	92,507	224,448	260,258	194,713	134,373	45,380
OTHER*.....	21,429	25,649	9,721	5,902	—	—	—	—
<b>Commercial Cars:</b>								
CHEVROLET.....	77,534	137,247	160,356	344,963	258,189	209,272	111,781	45,824
OTHER*.....	15,814	15,603	8,140	—	—	5,169	1,298	2,930
<b>Totals:</b>								
PASSENGER.....	469,622	921,859	1,005,619	1,554,304	1,552,617	1,348,307	1,121,771	787,148
COMMERCIAL.....	93,348	152,850	168,496	344,963	258,189	214,441	113,079	48,754
<b>Grand Total.....</b>	<b>562,970</b>	<b>1,074,709</b>	<b>1,174,115</b>	<b>1,899,267</b>	<b>1,810,806</b>	<b>1,562,748</b>	<b>1,234,850</b>	<b>835,902</b>

† Buick includes Marquette in 1929 and 1930.

\*"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, and Viking in 1929 and 1930. "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.

## TOTAL REGISTRATION OF CARS AND TRUCKS IN THE UNITED STATES



## 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
1931	125,606	110,525,817
1932	77,159	64,722,593

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 Copenhagen, Denmark; Stockholm, Sweden; Antwerp, Belgium; Buenos Aires, Argentina; São Paulo, Brazil; Port Elizabeth, South Africa; Melbourne, Australia; Woodville, Australia (body manufacturing plant); Wellington, New Zealand; Osaka, Japan; Batavia, Java; Bombay, India; and Barcelona, Spain. Warehousing operations are located in Puteaux, France; and Alexandria, Egypt.

## EMPLOYEES SAVINGS AND INVESTMENT FUNDS

A summary of the condition of unmatured Classes of the Employees Savings and Investment Funds at December 31, 1932 (including the Class of 1927 which matured December 31, 1932), and of the results of the matured Classes since establishment of the plan in 1919, follows:

<b>Employees Savings Fund</b>	<b>Class 1929</b>	<b>Class 1930</b>	<b>Class 1931</b>	<b>Class 1932</b>	<b>Total Unmatured Classes (1927 to 1932 Inclusive)</b>	<b>Total Matured Classes (1919 to 1926 Inclusive)</b>	<b>Aggregate All Classes (1919 to 1932 Inclusive)</b>
Net amount paid in by employees . . . .	\$ 19,485,285	\$ 15,771,470	\$ 13,532,890	\$ 1,855,640	\$ 81,017,225	\$ 26,498,815	\$ 107,516,040
Interest credited by Corporation . . . .	2,927,552	1,804,859	861,365	87,660	12,175,334	6,198,673	18,374,007
<b>Total . . . . .</b>	<b>22,412,837</b>	<b>17,576,329</b>	<b>14,394,255</b>	<b>1,943,300</b>	<b>93,192,559</b>	<b>32,697,488</b>	<b>125,890,047</b>
Withdrawals by employees . . . . .	13,703,305	9,420,780	7,150,776	—	52,848,056	13,755,984	66,604,040
Balance credited to employees . . . . .	8,709,532	8,155,549	7,243,479	1,943,300	*40,344,503	18,941,504	59,286,007
<b>Employees Investment Fund</b>							
Amount paid in and invested in stock by Corporation . . . .	9,742,642	7,885,735	6,766,445	927,820	40,508,611	17,705,996	58,214,607
Income received . . . .	1,089,287	830,891	241,151	—	6,182,295	17,108,715	23,291,010
<b>Total Invested</b>	<b>10,831,929</b>	<b>8,716,626</b>	<b>7,007,596</b>	<b>927,820</b>	<b>46,690,906</b>	<b>34,814,711</b>	<b>81,505,617</b>
Withdrawals by employees . . . . .	1,997,138	1,029,366	299,150	—	8,173,653	2,255,184	10,428,837
<b>Balance . . . . .</b>	<b>8,834,791</b>	<b>7,687,260</b>	<b>6,708,446</b>	<b>927,820</b>	<b>38,517,253</b>	<b>32,559,527</b>	<b>71,076,780</b>
Amount guaranteed to employees (100% of Savings Fund balance credited to employees for 1919 to 1921 Classes, inclusive; 50% for 1922 to 1930 Classes, inclusive; no guarantee for 1931 and 1932 Classes) . . . . .	4,354,766	4,077,775	—	—	15,578,862	11,582,890	27,161,752
Amount reverting to Corporation on basis of original cost of stock (balance in Investment Fund after deducting amount guaranteed to employees) . . . . .	4,480,025	3,609,485	3,086,706	—	18,388,831	13,109,538	31,498,369

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, up to and including the Class of 1930, the Plan was amended to provide that thereafter forfeitures in the Investment Fund revert to the Corporation and that it guarantee that the Investment Fund at maturity shall equal an amount equivalent to fifty per cent of the Savings Fund credits; beginning with the Class of 1931, this guarantee was discontinued. There is, however, a reversion to the Corporation on account of withdrawals. The amount paid into the 1932 Investment Fund Class was not invested until 1933. The amounts reported for the 1931 and 1932 Classes include Canadian savings fund accounts converted into United States funds at the rate of exchange prevailing at the close of those Classes. The above figures do not include separate Funds established by overseas subsidiaries.

\* Includes amounts applied by employees to purchase of homes.

## PAYROLLS AND NUMBER OF EMPLOYES

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	1925.....\$136,747,178	1929.....\$389,517,783
1922..... 95,128,435	1926..... 220,918,568	1930..... 279,410,144
1923..... 138,290,734	1927..... 302,904,988	1931..... 236,520,474
1924..... 110,478,000	1928..... 365,352,304	1932..... 143,255,070

The number of employes of the Corporation, not including certain affiliated companies, for 1932 and prior years has been as follows:

1909...14,250	1914...14,141	1919...85,980	1923...91,265	1928...208,981
1910...10,000	1915...21,599	*1920...80,612	1924...73,642	1929...233,286
1911...11,474	1916...25,666	1921...45,965	1925...83,278	1930...172,938
1912...16,584	1917...25,427	1922...65,345	**1926...129,538	1931...157,586
1913...20,042	1918...49,118		1927...175,666	1932...116,152

\* 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	1926.....	1,513.....	428,170
1919.....	6,453.....	402,485 (c)	1927.....	1,998.....	272,798
1920.....	6,578.....	159,312 (c)	1928.....	2,513.....	195,570
1921.....	(a).....	(a)	1929.....	2,840.....	167,378
1922.....	550.....	179,732	1930.....	1,929.....	117,624
1923.....	647.....	226,278	1931.....	1,378.....	65,954
1924.....	676.....	115,272	1932.....	(a).....	(a)
1925.....	943.....	345,320			
			Total	31,902	3,166,131

(a) No bonus was available for the years 1921 and 1932.

(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.

## 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
1931	286,378	285,655	293,714	313,117
1932	345,194	359,046	364,401	365,985

## GROWTH IN NUMBER OF STOCKHOLDERS

