

chinery to the farms for cost reduction, and with the electrification of railroads, supplemented by radio, electrical refrigeration, and talking movies, in which General Electric is already interested. Extensive projects of railroad electrification are under consideration, with only 2% of Class 1 mileage of American roads yet electrified. Power generation, we are told, will more than double in the next decade. Only 2½% of farms enjoy electric power.

Past record, present condition, and future prospect combine to place General Electric stock in a secure position among industrial stock issues of real investment character.

General Motors Corporation

The present General Motors Corp. may be said to date from 1922 when after the losses of the deflation period the management was changed and new clearly defined policies inaugurated. Fullest advantage was taken of the following five years of general prosperity and the accomplishments provided the commercial sensation of the country, viz:

	1926	1921
Net sales.....	\$1,058,153,000	\$304,487,000
Net earnings.....	186,231,000	def. 38,681,000
Working capital....	192,006,000	96,542,000
Cars sold.....	1,235,000	215,000

Always a leader in this 26-year-old industry, General Motors is the largest automobile manufacturer in the world (now making one car in every three produced in the United States and Canada) and, even more, paid out in dividends on its common stock in 1926 the largest total in the history of industrial enterprise.

Of the surplus available for the common stock the following percentages were paid out in common dividends: in 1926, 62%, in 1925, 63%, in 1924, 66%, in 1923, 45%, and in 1922, 23%, notwithstanding which there was reinvested \$179,744,000 in the property in these years from surplus.

We find at the end of 1926 the plant account carried net (after depreciation) at \$310,482,000 or \$99,416,000 more than at the end of 1921, whereas the plants in 1926 turned out almost six times as many cars as in 1921. The great Fisher Body plants have been acquired, the Pontiac and La Salle cars added to the line, and Frigidaire (the electrical refrigerator) has been developed (1926 increase in investment therein amounting to \$19,000,000), to mention only the outstanding developments. The conservatism of the plant account is obvious. This point must be considered in connection with the \$55 tangible asset value of the common stock.