TO THE STOCKHOLDERS of WILSON & CO. INC.
Officers of Wilson & Co., Inc.

President, Thos. E. Wilson
Vice-Pres. V. D. Skipworth
Vice-Pres. J. A. Hawkins
Vice-Pres. Geo. H. Cowan
Vice-Pres. A. E. Petersen
Vice-Pres. A. Lowenstein
Vice-Pres. J. Moog
Treasurer Wm. C. Buethe
Secretary & Asst. Treas. Geo. D. Hopkins

DIRECTORS

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Hoyt A. Moore J. C. Good
W. R. Begg Wm. C. Buethe
Edw. R. Tinker, Jr. C. F. Burrell
Elisha Walker M. S. Loeb

Wm. P. Conway
"Germany has not alone sucked the food and animals from all those masses of people she had dominated and left them starving, but she has left behind her a total wreckage of social institutions and this mass of people is now confronted with engulfment in absolutely anarchy. If we value our own safety and the social organization of the world, if we value the preservation of civilization itself, we cannot sit idly by and see the growth of this cancer in the world’s vitals.

"Famine is the mother of anarchy. From the inability of governments to secure food for their people, grows revolution and chaos. From an ability to supply their people, grows stability of government and the defeat of anarchy.

* * * * * *

"There are millions of people now liberated from the German yoke for whose interests we have fought and bled.

* * * * * *

"We dare not neglect any measure which enables them to return to health, to self-support and to their national life."

Herbert C. Hoover
To The Stockholders of Wilson & Co.:

The past year has been a profitable as well as an extremely important one in the history of Wilson & Co., in a measure due to the prosperity of its South American and allied interests. A little more than three years old, Wilson & Co. has won a high place in the business world by reason of its high plane of doing business and its sincere efforts to give a square deal to the live stock producer, the dealer, the consumer and to every employee of the Company.

The United States must feed Europe for some years to come, and in this tremendous task the meat packing industry will have an important part.

While the larger portion of our increased sales has been due to export trade, there has been satisfactory growth in domestic sales. Home demands were somewhat curtailed by restrictions in food consumption. With the removal of these restrictions we are directing our efforts to increase our sales in our home market where we have an outlet for our products through our own distributing agencies which represent substantial investments in principal cities of the United States where our products are receiving
Starving Europe Fed

With the combined energies of the nation back of the slogan—"Win the War"—the producers of the United States have fulfilled their pledge and have raised live stock to an extent that not only has the domestic trade, voluntarily restricted, been cared for but enormous quantities have been shipped to ward off starvation and famine in Europe.

Live Stock Production Largely Increased

Spurred to action, by necessity, hundreds of farmers throughout the United States have devoted much time and energy towards raising live stock in greater numbers and on land which previously was non-productive. Throughout the Southern states there has been awakened a long neglected industry which is rapidly assuming important proportions and promises to soon rival cotton as a money making part of the south's industry. The state of Georgia, which for generations depended largely upon cotton as the living crop, now raises one-third as many hogs as does Iowa. This has all been accomplished in a few recent years. Everywhere there has been brought about changes in our national methods of production and distribution resulting in greatly increased prosperity which is reflected in the pay envelope of the nation's toilers.
Packing Industry Efficient

So efficient has the packing industry been in performing its part of the huge job of feeding a war ridden world that no American soldier on the battle fields was ever deprived of meat at any meal because of a breakdown in the organization of the packing industry to keep a steady stream of food-stuffs flowing to them.

It has been the pleasure of Wilson & Co. to supply millions of pounds of foods to our soldiers and those of the allied nations, all orders for which were given precedence.

Now that the war is ended, Wilson & Co. is as fully capable to care for the demands of peace as it was to care for the demands of war.

Closer Bond Between Company and Employee

Wilson & Co., has taken several important steps forward recently which again mark it as a most progressive organization. Perhaps the more important step is that of bringing about a closer bond between the Company and its employees who have been given an opportunity to buy the Company’s common stock, thus sharing the profits they help earn and also having an active part in the management of its affairs.

Briefly, the plan permitted employees to purchase stock at $71.00 per share on the weekly payment plan of sixty cents for each share subscribed. To
encourage employees remaining and developing with the Company, a reduction of $10.00 on each share of stock will be made at the expiration of two years, thus making the net cost of each share of stock only $61.00. Limitations to the plan were that no employee earning $60.00 a week or more could participate and that no employee could purchase more stock than the equivalent of one-half of his annual salary or wages. For purposes of distributing the stock, its value was fixed at $100.00 so that an employee earning $1,500 per annum could purchase not more than seven shares of stock.

**Bonus Paid Employees**

Regularly salaried employees whose connection with the Company dated back six months prior to December 24 were given a cash bonus of 10% of their six months’ salary as a Christmas gift and as an appreciation by the Company of their services.

**Patriotic Activities**

Many patriotic activities were participated in by our employees during the year.

Generous contributions were made by the employees to the various war organizations and liberal purchases of both issues of Liberty Bonds and of War Savings Stamps were made under the Company’s deferred payment plan.

**Working Conditions Improved**

Working conditions of the employees in the manufacturing departments have been improved and changes have been made in accordance with the suggestions of a committee of the employees themselves representing all branches of the Chicago plant. A safety-first campaign has been inaugurated under the supervision of an expert to reduce the number of minor accidents.
New Buildings

A number of branch houses were opened in the past year, some of them new and some reconstructed to meet changed requirements.

Typical of the new kind of branch house is that erected at Scranton, Pa. This structure is fire-proof throughout and consists of three stories and basement being fully equipped to smoke meat and to make sausage, as well as to handle all products made and distributed by the Company. The Scranton branch house serves as a warehouse and distributing center for several smaller branch houses in a radius of fifty miles and is important from that standpoint. The building is ornamental and one of the best structures in Scranton.
In Chicago, Wilson & Co. has acquired ownership of a splendid building, exceptionally well constructed and located, to be used entirely for the rapidly growing fruit, preserve, jam and jelly business. Wilson & Co. has come to be recognized as one of the foremost dealers in these commodities and because of the high quality of its products is making rapid progress in this business.

The Certified brand name which has come to be so generally recognized as standing for the highest quality products of Wilson & Co., has been given to our best grades of hams and bacon. This change was decided upon to become effective March 31, 1919.

The change was made with little difficulty because of the value the consuming public has placed upon our Certified brand. It is to be expected that these products will show a large increase in sales, due in a part, to the benefit they will receive from our advertising of Certified food products.

**Live Stock Values Greatly Increased**

During the period of the war, values have steadily climbed and the producers have shared fully in the benefits. In 1918 close to $900,000,000 was paid for live stock at the Chicago Union Stock Yards which is but one of a dozen important live stock centers of the country. This represented payment for 17,799,000 meat animals of all kinds or an increase of 3,087,000 animals purchased at this market in 1917. For this live stock the producer was paid $227,234,000 more than in 1917.
There was an increase of 7,012,000 head of cattle, sheep and hogs in 1918 over 1917 as shown by the U. S. Department of Agriculture figures. The increase in meat cattle, sheep and hogs in the four-year period, 1914 to 1918 was:

- Cattle: 7,600,000
- Hogs: 12,500,000
- Sheep: 1,300,000

The number of head of meat animals on farms in 1918 as compared with 1917, as given by the U. S. Department of Agriculture:

<table>
<thead>
<tr>
<th>Live Stock on Farms</th>
<th>1918</th>
<th>1917</th>
<th>Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cattle</td>
<td>43,546,000</td>
<td>41,689,000</td>
<td>1,857,000</td>
</tr>
<tr>
<td>Hogs</td>
<td>71,374,000</td>
<td>67,503,000</td>
<td>3,871,000</td>
</tr>
<tr>
<td>Sheep</td>
<td>48,900,000</td>
<td>47,616,000</td>
<td>1,284,000</td>
</tr>
<tr>
<td></td>
<td><strong>163,820,000</strong></td>
<td><strong>156,808,000</strong></td>
<td><strong>7,012,000</strong></td>
</tr>
</tbody>
</table>

Measured in product this shows an increase in pounds:

<table>
<thead>
<tr>
<th></th>
<th>1918</th>
<th>1917</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beef</td>
<td>8,500,000,000</td>
<td>6,078,908,000</td>
</tr>
<tr>
<td>Pork</td>
<td>10,500,000,000</td>
<td>8,768,532,000</td>
</tr>
<tr>
<td>Mutton</td>
<td>495,000,000</td>
<td>739,401,000</td>
</tr>
<tr>
<td></td>
<td><strong>19,495,000,000</strong></td>
<td><strong>15,586,841,000</strong></td>
</tr>
<tr>
<td>Inc.</td>
<td></td>
<td>Decrease</td>
</tr>
<tr>
<td>Beef</td>
<td>2,421,092,000</td>
<td></td>
</tr>
<tr>
<td>Pork</td>
<td>1,731,468,000</td>
<td></td>
</tr>
<tr>
<td>Mutton</td>
<td></td>
<td>244,401,000</td>
</tr>
<tr>
<td></td>
<td><strong>3,908,159,000</strong></td>
<td></td>
</tr>
</tbody>
</table>
As an indication of the size of the problem of feeding the world the Food Administration in its report for the year ending Oct. 1, 1918, shows total exports to the Allies and Neutrals, Belgian relief and American Expeditionary Forces as follows:

<table>
<thead>
<tr>
<th>Product</th>
<th>Pounds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bacon</td>
<td>1,034,705,504</td>
</tr>
<tr>
<td>Hams and Shoulders</td>
<td>514,606,786</td>
</tr>
<tr>
<td>Lard</td>
<td>496,559,772</td>
</tr>
<tr>
<td>Neutral Lard</td>
<td>6,396,329</td>
</tr>
<tr>
<td>Canned Pork</td>
<td>5,755,864</td>
</tr>
<tr>
<td>Fresh Pork</td>
<td>15,868,397</td>
</tr>
<tr>
<td>Pickled Pork</td>
<td>37,285,811</td>
</tr>
<tr>
<td><strong>Total Pork Products</strong></td>
<td><strong>2,111,178,463</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Product</th>
<th>Pounds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canned Beef</td>
<td>168,735,845</td>
</tr>
<tr>
<td>Fresh Beef</td>
<td>590,316,073</td>
</tr>
<tr>
<td>Pickled Beef</td>
<td>71,590,861</td>
</tr>
<tr>
<td>Oleo Oil</td>
<td>63,386,202</td>
</tr>
<tr>
<td>Tallow</td>
<td>4,908,251</td>
</tr>
<tr>
<td><strong>Total Beef Products</strong></td>
<td><strong>898,937,232</strong></td>
</tr>
</tbody>
</table>

Many factors contributed towards the increase in live stock. In parts of Texas and Oklahoma thousands of head of cattle were forced to market because of continued crop destroying drought but this deficiency has been taken up by other states entering into the live stock business. Southern states especially are expected to raise more live stock. These states are favored with excellent climates permitting long grazing seasons, and with land as cheap as it is in many sections we should expect great things from the southern states.
Cattle Tick

Cleaning up of the cattle ticks and releasing of large areas of cattle land from quarantine, have been important factors in increasing live stock production. For the first time in years an increase in the number of sheep is shown. This is due primarily to the destruction of predatory animals, a nuisance which is rapidly coming under control and which in the past has cost live stock raisers millions of dollars annually. Checking of hog cholera by preventive measures and adoption of sanitary methods in caring for hogs is reducing losses materially and is placing more millions of pounds of pork products on the market than heretofore was possible under careless and wasteful methods.

Fyvie Knight II, Grand Champion International Live Stock Exposition, Chicago, 1918.
Trying to Better Understand Live Stock Producers Problems

Wilson & Co., is doing its utmost to bring about a more thorough understanding between the live stock raisers and the Company. Realizing that either the packer or producer may easily lose the viewpoint of the other and as a result bring about troublesome misunderstandings, we have associated with us, Mr. Murdo MacKenzie, a stock raiser of note, and with years of experience. Mr. MacKenzie will assume the important duties of squaring the policies of Wilson & Co., where they do conflict, with those of the live stock raisers. It is realized that the majority of meat animal producers wish to be fair in all matters relating to our industry, and it is believed the appointment of Mr. MacKenzie will be recognized by the live stock producers as a further indication of the Company's desire to better understand their problems.

Live stock producers are the basis of the nation's prosperity and of the success of this Company. Consequently, everything is to be done that can be done to bring about a better understanding with the producer and to help him to a solution of his difficulties.
WILSON & CO., INC., AND ITS CONSOLIDATED BALANCE

ASSETS

Property Accounts:
  Plants and Equipment ........................................ $30,340,062.33
  Less—Mortgages Payable and Purchase—Money Obligations ......... 636,000.00
  $29,704,062.33
Trade Marks, Patents, Goodwill, etc. ................................ 11,371,284.38
  $41,075,346.71
Investments in Companies Controlled and Affiliated but not Wholly Owned ........................................... 5,481,061.23
Merchandise, including Consignments, less Drafts drawn thereagainst ........................................... 43,762,852.06
Accounts and Notes Receivable .................................... 26,243,083.59
U. S. Government and Miscellaneous Securities ......................... 3,144,807.80
Cash ........................................................................ 8,844,050.91
Insurance, Interest, Rents, etc., prepaid ................................ 604,042.28
  $129,155,244.58

STATEMENT OF SURPLUS ACCOUNT

Balance at December 29, 1917 ........................................... $15,051,045.30
Deduct—Bond Discount and Expense written off and Contribution to Employees Pension Fund .......... 2,160,000.00
  $12,891,045.30
Add—Profits for the year ending December 28, 1918 after deducting Interest on Current Indebtedness and Provisions for Depreciation and Federal Taxes ........................................... 8,563,911.96
Less—Interest on Bonded Indebtedness .................................. 932,376.75
  7,631,535.21
  $20,522,580.51
Deduct—Dividends paid on Preferred Stock ............................. 733,348.00
Balance at December 28, 1918 ........................................... $19,789,232.51

SUBSIDIARY COMPANIES SHEET, DECEMBER 28, 1918

LIABILITIES

Capital Stock:
  Preferred—Authorized—$12,000,000.00
  Outstanding ..................................................... $10,476,400.00
  Common—(without par value)
    Authorized—500,000 Shares
    Outstanding—200,000 Shares exchanged during 1918 for a like number of $100.00 each .......... 20,000,000.00
    $30,476,400.00
  Twenty-Five Year Mortgage Bonds .................................. $20,412,000.00
  Less—Bonds held in Sinking Fund .................................. 332,000.00
  $20,080,000.00
Ten Year Convertible Bonds ........................................... 20,000,000.00
Accrued Interest on Bonds ........................................... 393,955.49
Notes Payable ................................................................ 30,397,575.64
Accounts Payable and Other Liabilities ................................. 5,518,080.94
Reserves for Income and Excess Profits
  Taxes .................................................................... 2,500,000.00
  Surplus .................................................................. 19,789,232.51
  $129,155,244.58

ACCOUNTANTS’ CERTIFICATE

We have examined the books and accounts of Wilson & Co., Inc., and of its Domestic Subsidiary Companies, as well as those of its Subsidiary Company in the Argentine Republic, for the year ending December 28, 1918, and have had produced to us the audited statements of the remaining Foreign Subsidiary Companies; and we certify that the above Consolidated Balance Sheet embodying the Assets and Liabilities of all Subsidiary Companies as at December 28, 1918, has been correctly prepared therefrom and, in our opinion, shows the true financial position of the combined companies at that date.

Chicago, February 28, 1919

Price, Waterhouse & Co.
Certified Public Accountants.
OUR GUARANTEE
IF YOU ARE NOT SATISFIED
THAT THE CONTENTS OF THIS
CAN IS OF THE HIGHEST POSSIBLE
QUALITY, YOUR DEALER WILL
REFUND THE PURCHASE PRICE.

[Signature]
PRESIDENT