

LAKE OF THE WOOD MILLING COMPANY.

The annual statement of the Lake of the Woods Milling Company for the year ended August 31st, 1918, presented to the shareholders on the 2nd instant, shows net profits amounting to \$857,914, a new high record for the Company, and an increase of \$288,166 over profits for the preceding year.

After meeting bond interest \$54,000, and paying the preferred dividend, which absorbed \$105,000, a balance of \$698,914 is available for distribution, which was allocated as follows:—8 per cent. dividend on common stock, \$168,000; 4 per cent. dividend from Sunset Manufacturing Co. (2 per cent. of which came from the earnings of the year ended 31st August, 1917), \$84,000; written off property and good will accounts, \$100,000; leaving a balance of \$346,914, which was carried forward to surplus account.

Comparative details of the profit and loss accounts for the last three years are as follows:—

	1918.	1917.	1916.
Profits	\$857,914	\$569,748	\$525,141
Bond Interest	54,000	54,000	99,000
	\$803,914	\$515,748	\$426,141
Preferred dividend	105,000	105,000	105,000
	\$698,914	\$410,748	\$321,141
Common dividend	252,000	168,000	168,000
	\$446,914	\$242,748	\$153,141
Written off	100,000	100,000	100,000
	\$346,914	\$142,748	\$ 53,141
Surplus	831,884	889,136	935,994
Previous Surplus			
	\$1,178,798	\$1,031,884	\$989,135
Bond Redemption a/c	200,000	200,000	*100,000
	\$978,798	\$831,084	\$889,135

*—Provision for 2 years' war tax.

The balance sheet presents a very strong cash position, due in some measure to system of Government rationing of millers, which prevents heavy investments of resources in stocks of wheat and flour, as indicated by the amount held by the company of these items, on August 31st last valued at \$669,878, slightly less than half the total held a year ago. Accounts receivable, also in part as a result of the new conditions in the trade, show at \$660,387, a decrease of \$352,000.

Accounts payable amounting to \$166,002 are about \$500,000 lower than the previous year. Cash on hand has jumped from \$24,927 to \$1,088,381, supplemented by an investment of \$200,000 Victory Bonds.

The comparative statement of liquid assets for three years is as follows:—

	1918.	1917.	1916.
Cash	\$1,088,380	\$ 24,928	\$ 80,428
Bills and accounts receivable	660,387	1,012,764	843,594
Wheat, etc., on hand	669,879	1,371,728	1,280,548
	\$2,418,646	\$2,409,419	\$2,204,570

Mr. W. W. Hutchison, vice-president, addressing the shareholders, stated that the company

was looking forward to a fair year's business. He said:—

"While crop conditions this year are not what we at one time expected, it is quite safe to say that we are now harvesting what should prove to be a fair average crop of good quality, and the fixed price of \$2.24½ per bushel Fort William will give a good return to our western farmers.

"All mills are now running at full capacity, and we look forward with confidence to a fair year's business."

Reference was made to the fact that some 230 employees of the company, including some of its best men, had joined the colours.

In addition to the above, three directors of the company are serving the Empire in various capacities, and Brigadier-General Meighen, President of the Company, has been at the front since 1914.

CONDITIONS AFTER THE WAR.

Some day war industries will find their special occupation gone. With the end of War, or even sooner if Great Britain supplies her own needs, will come an end to this outlay of war munitions which is flowing over the country. Hundreds of thousands of men and women directly engaged in war work will have to turn to other occupations. Employment must be found also for the army of returned soldiers. No doubt many undertakings which have been suspended during the war will be revived, and many industries which have been handicapped by the war will again flourish in full vigor. But while war work will end suddenly, the change to a peace basis cannot be completed in a week or a month. There will be a period of transition which will bear hardly upon many who have made no provision against unemployment, if they are wage-earners, or against the trade depression which may ensue on a curtailment of expenditure. Canada is too fundamentally sound and too naturally wealthy to be given a set-back of long duration. Her basic industry, agriculture, will not be radically affected by a return to peace conditions. But many Canadians, particularly in the cities and towns, who are depending upon war-created prosperity will later regret their improvidence if they have saved nothing against the trying time ahead.

SAVE TO END THE WAR.

Saving will help shorten the war. It will provide in abundance the things that are essential to the complete triumph of the Allied armies. In proportion as the Allies overwhelm Germany with men and the weapons of destruction will Victory be brought nearer. Obviously a prodigious expenditure of money is required, which can come only from the savings of the people. For Canada there is no other source in sight. To fail to save is to run the risk of a further-prolonged war. Canadians have no thought of letting up. On the contrary they are determined to redouble their efforts. This must apply both to fighting abroad and saving at home. For you it means still greater saving.