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March 21, 1949.

RECEIVED FROM: Charles L. White

THE SUM OF: Nine Thousand.....00/100 \$9000.00

Representing one-half of the amount of Creamery Assets sold to:

Henry Hansen, for Eighteen Thousand Dollars 00/100.

Apart from the winding-up of current business, there remains to be disposed of, three creamery trucks, not included in the sale to Hansen, and the stock on hand valued at \$1550.00, sold to Henry Hansen, payable January 15, 1950.

.....
F.G. Shears.

FGS/GN

REMOVED FROM
HOMER'S OFFICE

Winnipegosis, Man.

Mar. 6. 1949.

Mr. J. G. Shears.

Vancouver, B.C.

Dear Mr. Shears,

Charlie wants me to drop you a few lines to-night to let you know what has finally happened in regards the Creamery.

Well, Mr. Macleod would not give any more than \$16,000, so Charlie called Hansen in and asked him to give him an offer, but Hansen would not state a price, he wanted Charlie to put a price on, so Charlie asked him \$18,000 so he came in the next day and said he would give us \$18,000 - \$15,000 cash and a mortgage for 3000, so Charlie said that was O.K. if we could have first mortgage, so he said yes, however when he came in the next day he said he would have to give us all cash - I guess whoever was putting up the cash wanted the first mortgage so we said that was O.K. So after supper when we were going down to phone you Hansen was waiting for us at the corner and looking sort of dejected, and he says "Well I guess I cannot get money, now to operate the creamery."

It seems the Bank had promised to give him money for that but they backed down on it." So Charlie told him to come on down to the Creamery and we would talk it over, so it ended up by Charlie and I taking a mortgage for \$14,000 and Henry putting in "his all" \$4000. in cash. Charlie will send you your \$9000. in a few days and to-morrow Hansen and I will take stock and he is going to give us a promissory note for the amount of the stock, payable January 15, 1950. Mr. Hansen is going to increase the fire insurance to \$14,000 so we will be protected in case of fire.

Mr. Hansen took us to Dauphin yesterday and Mr. Bowman drew up the papers and was to send them to you for your signature. I hope you will find them all in order and everything O.K.

Charlie will put the trucks up for sale in the spring. He does not think he will have much trouble selling them. Mr. Hansen does not think he will ^{have} trucks, he thinks he can do just as well without them. He may pay someone else to bring in the cream.

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It is a pretty big venture for Hansen, I think, but I guess he will make good, if he attends to his work. He really wanted the Creamery and I hope he makes a go of it.

I have practically all the receipts for those truck expenses. I think we have our clearance on our 1947 Income Returns so you will likely get yours.

As far as the shortage on the Cream Tickets, I have not been able to find anything. You see, all the tickets were sorted each month so I had no way of checking on what was paid by the Creamery and what was paid by the Bank.

Charlie is nursing a cold to-day, but he thinks he will be able to go out in the morning. He will likely be writing you sometime soon.

Kindest regards.

Sincerely

L. H. White.

March 21, 1949.

Mr. C.L. White,
Winnipegosis, Man.

Dear Charlie:

I received your letters of March 13th and March 6th re the sale of the Creamery. I do not think it is necessary as the documents signed cover the deal, but I am enclosing a formal receipt for the cheque which you sent me.

With this business off your mind, I hope that you will be able to relax and take care of yourself. When the accounts for butter and any other matters have been completed, we will draw off a final statement of operations for 1949.

I suppose that Hansen will be issuing cream tickets under the name of the Winnipegosis Creamery Company, and you will have to see that only our own outstanding cream tickets are charged against our creamery account in the bank.

I still cannot understand the balance which shows in our Unpaid Cream Ticket Account and the cheque for \$500.00 which was issued, but I expect you have looked into this matter as much as possible.

I heard over the radio that the fish companies were having trouble in disposing of frozen fish this winter.

Very best wishes,

Yours sincerely,

F.G. Shears,

FGS/GN
Encl.

506 Royal Bank Bldg.,
Vancouver, B.C.,
January 18, 1949.

Mr. C.L. White,
Winnipegosis, Man.

Dear Charlie:

I am writing another letter which you may think might be useful in showing to anyone who may be dickering with you.

As I think I mentioned before, we have averaged a profit of over \$3300.00 for 20 years (leaving out two or three times when we made a small loss) so that from an investment point of view, the creamery should be well worth \$28,000.00. However, I know you want to get rid of the responsibility of operating and I leave it to you Charlie, to make what you consider a satisfactory deal. I don't just know what it would cost to build and equip a creamery at present day prices, but surely the value of the actual physical assets we own might be the figures used on our balance sheet before depreciation and be approximately as follows:

Land	\$ 700.00
Buildings	3,700.00
Machines	9,700.00
Truck	1,200.00
Truck	1,300.00
Truck	2,300.00

This will come to approximately \$19,000 with no consideration for the value of the business. Of course our machinery might not come to the above amount, for what equipment is actually required. It may be that \$28,000.00 is more than we will be able to get, but if we accept terms do you think you might be able to get \$25,000.00?

I notice we have about \$1600.00 worth of supplies in cans, boxes etc. and there might be an opportunity for you to use this factor towards the close of any dickering you were doing if you thought it advisable. I have not been able to finish the creamery statements

MR. C.L. White.

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January 18, 1949.

for the year but from the look of things there won't be more than \$2,000 cash to divide, will there?

What about the margarine question? My own idea is that it would not affect the margin of profit our creamery would make. The only thing perhaps is that if the scale of prices is lower, it might cut down on our volume if the farmers cut out the shipment of cream. However, if we can sell now, that will be one of the things we would not have to worry about.

I suppose if you are not able to get all cash, you will get Bowman or someone to draw up a sale document. I think the land is registered in our joint names is it not, and the title would remain in our names until the purchaser had fully paid and I suppose Agreement of Sale papers would be the way a sale on time would be made.

I rather thought that Swift's would be interested so that they might have some control over both ends of the line between Winnipegosis and Dauphin. I expect you will sound them out again before Maillard comes up. If Swift's were interested, theirs would be a cash proposition I would think.

*Canada Packers
Buy it and
Swift*

As regards the length of terms, I do not know what your idea is, but with a \$15,000.00 cash payment, would you say that about \$3,000.00 a year would be the minimum succeeding payments, and I would think that the interest should not be less than 5%.

Yours sincerely,

F.G. Shears.

FGS/GN

506 Royal Bank Bldg.,
Vancouver, B.C.,
January 18, 1949.

Mr. C.L. White,
Winnipegosis, Man.

Dear Charlie:

I received your letter and note that you have several contacts re sale of the creamery but that the weather has likely kept people from coming up. As regards the price of \$28,000.00 which you have named, I certainly think this is the minimum that we should accept, and failing that we should make arrangements for operating again as usual. I have just been looking over the profits for the past years, and even although we have not held butter to any extent for speculation but merely operated and sold as produce, we have always made a nice profit each year.

You ask whether I would agree to a sale on terms, and while I think it should be a cash proposition, I suppose that if the credit of any prospective purchaser was good, it might be alright to sell on terms with about \$17,500.00 cash and the balance over a year or so at 5%.

As you are aware, I am not anxious to sell, and as you have previously indicated, there is no point in selling at a sacrifice, and that the price we are asking is reasonable. We know from experience that we have a well kept creamery and a nice business which has stood the test of time.

You will doubtless keep me posted, and if necessary at any time give me a phone call.

Yours sincerely,

F.G. Shears.

FGS/GN

506 Royal Bank Bldg.,
Vancouver, B.C.,
January 18, 1949.

Mr. C.L. White,
Winnipegosis, Man.

Dear Charlie:

I mailed a couple of letters to you this morning so that you would get them on your Thursday's mail. This letter may also reach you at the same time.

I really do not think there is much I can say, Charlie, beyond making the best deal you can if you have an opportunity. You will know fairly well what the actual present-day value of the plant itself is worth and beyond that I suppose it is just a question of getting as much as possible for the business as a going concern.

I don't know whether it might have been better to have tried to sell say during July, when the creamery would be active. However, we need not consider that, unless you find it absolutely necessary to carry on for another season.

Is there some rough "rule of thumb" idea that a creamery is worth about \$100.00 for every thousand pounds of butter make per year, so that a 300,000-lb. creamery would be worth about \$30,000.00?

Is it likely that any prospective purchaser would want to see a Profit and Loss statement? You could say we have not yet figures for last year, but 1947 would not be a bad year to show would it? I would avoid showing the Balance Sheet, as that indicates our capital and also that we have depreciated our buildings almost to nothing. The Profit and Loss Statement however, shows the cream purchased and the quantity of butter made, and the net profit after depreciation. On the basis of that year's results, it would not take long for the creamery to pay for itself, and we have had larger profits in previous years.

I don't suppose there is much point in talking ab

Mr. C.L. White

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January 18, 1949.

returns on money invested, but

	\$25,000.00 in bonds would only bring in	- \$ 687.50	- 2 $\frac{3}{4}$ % return
	25,000.00 on good industrial security	- 1000.00	- 4% return
but	25,000.00 on creamery producing a average net profit of	- 3000.00	means 12% return

and I would think that this would be considered a pretty good creamery investment at that price. However, the chief question is in finding a purchaser interested and who has sufficient capital to purchase and operate.

Yours sincerely,

F.L. Shears,
Director.

FGS/GN

January 25, 1949.

Mr. C. L. White,
Winnipegosis, Man.

Dear Charlie:

I do not know when or why we compiled the figures shown on the attached sheet, but I am sending them to you and it might be of interest for you to take a physical inventory of the whole of our plant, which would give us a rough idea of the present value of our assets.

Yours sincerely,

F. G. Shears

FCS/GR

WINNIPEGOSIS CREAMERY

Land	1½ lots	750.00	
Creamery Building		3,750.00	
Ice House & Freezer		<u>2,000.00</u>	6,500.00
Creamery	Churn	1,600.00	
"	pasteurizer	1,150.00	
"	"	1,150.00	
"	Scales	425.00	
"	" Butter	375.00	
"	" prints	25.00	
"	Can Dryer	160.00	
"	Can Steamer	35.00	
"	Butter Printer	140.00	
"	12 print boxes	144.00	
"	Truck	25.00	
Engine Room	Shaft, Belting, pulleys	200.00	
"	" Pipes & Valves	300.00	
"	" Pump	275.00	
"	" Engine	100.00	
"	" Boiler	500.00	
"	" Pump	125.00	
"	" Tools	50.00	
"	" Electric Motor	40.00	
"	" Steam Pony Pump	50.00	
Test Room	Babcock Tester	200.00	
"	Test Scales	35.00	
Upstairs	2 supply tanks	50.00	
Office	Moisture Scale	80.00	
"	Typewriter	45.00	
"	Adding Machine	200.00	
"	Safe	50.00	
	Gas Pump Tank	75.00	
	Wheelbarrow	15.00	
	"	5.00	
		<hr/>	
Outside	Water Tank	50.00	
	Emergency Steam Eng.	<u>300.00</u>	
			7,974.00
Trucks	D.T. & Box	2400.00	
	International	1400.00	
	"	1200.00	
	"	<u>130.00</u>	
			4,930.00
			<hr/>
	<u>TOTAL</u>	-	<u><u>19,404.00</u></u>

WINNIPEGOSIS CREAMERY

SHEET NO.

BANK DEPOSITS

DATE	DR. \$	C	No.	PARTICULARS	NAME	V	CR. CUSTOMERS' LEDGER	CR. GENERAL LEDGER	
				Land	1/2 Lots		750 -		
				Creamery Building			3750 -		
				Ice House & Sprayer			2000		
							6500 -		
				Creamery	Churns		1600 -		
				"	pasteurizer		1150		
				"	"		1150		
				"	Scales		425		
				"	Butter		375 -		
				"	units		25		
				"	Can Dryer		100		
				"	Can Steamers		35		
				"	Butter Printer		140 -		
				"	12 pint Boxes		144 -		
				"	Truck		25 -		
				Engine Room	Shafts, Belting pulleys		200 -		
				"	pipes & Valves		300 -		
				"	Pumps		275 -		
				"	Engine		100 -		
				"	Boilers		500 -		
				"	pumps		175 -		
				"	Tools		50 -		
				"	Electric Motor		40		
				"	Steam power pump		50 -		
				Test Room	Boabcock Tester		200 -		
				"	Test Scales		35 -		
				Workshops	Supply Tanks		50 -		
				Office	Machine Scale		50 -		
				"	Typewriter		45 -		
				"	Adding Machine		200 -		
				"	Sep.		50 -		
				"	gas pump tank		75 -		
				"	whellbarrow		15		
							5 -		
				outside	Water Tank		50 -		
				"	Emergency Steam Eng		300 -		
							7974		
				Trucks	D.T. Box		2400 -		
				"	International		1400		
				"	"		1200		
				"	Trus		130		
							4930 -		
TOTALS									

Bank Balance from Sheet No.

Total

Less Total from Disbursement Sheet No.

Balance at Bank

19404

July 29, 1948.

Mr. C.L. White,
Winnipegosis, Man.

Dear Charlie:

Glad to receive your letter and statement for June. I was beginning to wonder whether it had gone astray.

I have had a pretty hectic time for the past month, having to work early and late on some special work with Government counsel who has been here from Ottawa. He has just left and I now have to leave for Lethbridge for about a couple of weeks.

In addition to the above, Mrs. Shears has been having a fairly tough time. For some months her throat has given her trouble and we thought it might be a strep throat condition. The doctor prescribed some drugs, but it would not improve, and after a more recent examination, the doctor sent her to a specialist. Although he gave it another name to Mrs. Shears, he told me that it was a cancerous condition. X-ray of her chest did not show any actual spreading. She has had to take about twenty X-ray treatments and the reaction caused quite a bit of pain and for a while she was scarcely able to even swallow liquids. They stopped the treatments about two weeks ago and have expressed great satisfaction at the results, so we are hoping that it may be permanent. I got Frances to come over from Victoria, and last week took Mrs. Shears up to Olive's place at Roberts Creek.

As mentioned, I have to go to Lethbridge, and starting in September will be busy in Vancouver when we will be presenting our defence before the Commissioner appointed to consider claims made by Japanese for losses in connection with the sale of their property. It looks to me as if it will take months yet.

I do not know what to say about the butter situation. It is too bad that the price of butter-fat is so much out of line with the market, and as you say, it costs a lot to operate at such high prices. I hope that you have been able to make a margin of profit this month. I suppose the big fellows are able to advance

C.L. White, Esq.

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July 29, 1948.

the butter-fat prices and make their profit by holding for a rise in the market. At present prices the whole thing becomes risky. Apparently there is going to be a shortage which may tend to keep the market from slipping.

I have not made any entries at my end so far this year, but will do so before we get to the end of the season.

Hope things will run smoothly for July and August so that we can make some headway to take care of the balance of the year.

Kind regards.

Yours sincerely,

F.G. Shears,
Director.

FGS/GW