

without review. They are not independently verified by the accounting firm, merely reported. So in fact the information the accountants use is no better than what they receive, but most importantly as an urban Senator interested in state control of business, I have to ask myself this. For years we have seen state banks become national banks. We are now seeing state savings and loan associations become national associations with federal charters. What we are doing with this amendment and Senator Chronister's effort is to prevent a similar flight of state licensed grain warehouses becoming federal licensed grain warehouses, and if we require compilation statements prepared by CPAs, we will see the federally licensed warehouse become the rule rather than the exception. Finally those of you as Senator Kahle and Senator Sieck have indicated who are farmers, ask yourself, will this requirement actually expose a risk to you customers or will this expensive annual report merely be filed to collect dust like so many others in so many industries are. I urge this body to support Senator Chronister in his efforts. Thank you.

PRESIDENT: The Chair recognizes Senator Cope.

SENATOR COPE: Mr. President, members, I have a question of both Senator Chronister and Senator Sieck since they seem to be on opposition sides and it has to do with the cost and just what a certified accountant does. Now do I understand that this will be just very similar to a bank audit? And I will ask Senator Chronister first.

PRESIDENT: Senator Chronister, will you respond?

SENATOR CHRONISTER: Would you repeat that?

SENATOR COPE: That it will be a complete audit, that is there will be an accounting of the number of bushels of grain. There will be a complete audit of all the books, everything complete, and I would like to hear what you think the cost will be for the average smaller elevators. Senator Chronister.

SENATOR CHRONISTER: Yes, Senator Cope, the cost from Touche and Company and Peat, Marwick and Mitchell have been from \$750 on up to \$2,000 depending upon the size of the elevator. Now they could also require besides an audit of the books a visual inspection or measurement of the grain. They could also require an elevator to move his grain out of flat storage and weigh it up which would be a very costly measure. So it would depend upon how big an audit the auditor would request.