

(English)

Mr. LEACH: No, actually I think in terminal elevators where we have a greater percentage of labour cost—that is, salaries to men—with reference, perhaps, to our taxes and our original investments, the increases salary-wise have been proportionately greater than 50 per cent. I think that is what you have in mind.

(Translation)

Mr. CLERMONT: On page 9 of your brief, French version, you mention for the financial year 1964-65 and 1966 that your companies got some country and terminal elevator operations \$11,682,000. and in the same years that you spent \$12,110,000. for capital expenditures. But the \$11 million only represents revenues for elevators. What are the other revenues from your companies?

(English)

Mr. LEACH: Well, the \$11,682,000 represented straight grain revenues from running either a country and/or a terminal elevator. We did embark into the fertilizer business and, at the current moment if we can collect our debts, we hope we will make a little additional revenue from that. Some of the companies have embarked into seed operations or other ancillary enterprises which are, basically, additional revenue but not particularly substantial. But, I think the point you were making is that the \$11,682,000 originates basically from grain. Actually that revenue was not true revenue; it was even less than revenue, because we had revenue plus depreciation amounting to \$11,682,000, and in order to update and upgrade our facilities we put out \$12,110,000.

(Translation)

Mr. CLERMONT: Your other activities that you mentioned, such as the sale of fertilizers, etc., are these business activities through terminal or country elevators?

(English)

Mr. LEACH: Basically these are through the country elevator and they tie in with the remarks I made earlier about the changing pattern of what we are doing out in the country elevator, where it is necessary to become a service centre and offer a complete range of services to our country customers.

(Translation)

Mr. CLERMONT: Your capital expenditures, \$12,110,000, were these capital expenditures for new elevators and modernized equipment?

(English)

Mr. LEACH: I would say there again, just in a straight round figure, about 50 per cent were for new country elevators that were being built in the west to keep pace with the changing pattern. I referred earlier to the fact it was necessary to do this. The other 50 per cent probably was on a modernization of our terminal elevators at Vancouver and the Lakehead.