

Mining and Smelting Company. That company is now proceeding to open a new deposit at Stall lake about eight miles farther on from Chisel lake, and wishes rail service to the new mine. They also propose opening an additional deposit at a location known as Osborne lake which is another 11 miles distant from Stall lake, but they plan to truck that ore to the Stall lake railhead where it will all be shipped via the Chisel lake line to Flin Flon for processing.

The railway has completed a traffic guarantee agreement with Hudson Bay Mining similar in form to that entered into covering the original 52 miles. The estimated cost of the extension is \$1,090,000 and the company informs us that it was able to build the first 52 miles sufficiently under the estimate contained in the original act of \$8,840,000 that it can build this extension within the amount of authorization of \$8,840,000 originally provided. Therefore they are not asking for an additional appropriation in this present bill. That was the reason this bill was not preceded by a resolution.

I think members will see that this is a logical further development of the original Chisel lake line to serve increased production of the company. The railway reports that its study of the economics of this extension show that it will be a profitable venture, just as the original scheme was profitable.

Before calling on the railway witnesses who are here, I think it would be only fair to remind the committee that while we should expect and obtain all information necessary to satisfy the members that the proposal should go forward, nevertheless there remains the matter, which you are all acquainted with, of the natural reluctance on the part of the railway to disclose publicly the details of their transaction with the industries in respect of these branch lines. They have, of course, expressed to me in some detail their reasons for taking this position and I agree with the railway officials that we do not wish to embarrass them in future negotiations of this kind, and that where they ask that details of their transactions be not disclosed publicly, we should respect their wishes in that regard just as fully as we may possibly do so.

In some cases they tell me there is no objection to a full disclosure of the details of these traffic agreements, but in other cases there are reasons why they do not wish them disclosed. Therefore, when they ask us to respect the confidence of some of this material, I think we should do so. This certainly has been the policy which has been followed in the past in matters of this kind.

The railway officials have informed me that they can give members a very full picture of what is involved in these bills. They will be glad to answer your questions concerning them, so that you will have full information as to what is proposed. They do, however, ask our forbearance if questions should touch upon details which would force them to disclose confidences or give specific information which would embarrass them in future negotiations with industries. Nevertheless, they are here to help us and are prepared to give whatever information is required by any member.

Mr. FISHER: Might I ask if the minister considers this a general statement of policy with regard to matters coming before this committee? I raise the question because the member for Victoria and the member for Burnaby-Richmond will remember that we have had some motions and discussions in the past history of this committee about this very fact. My understanding is that you have brought up to date the position of the government in so far as disclosures are concerned.

Mr. BALZER: As I have pointed out.

Mr. SMITH (*Simcoe North*): I think Mr. Fisher is talking about disclosures and things that happened in another committee. I refer to the Canadian National Railways own committee in the past.