

dor service when the company has three ships lying idle at North Sydney.

Can the minister explain to this House why Canadian National is adopting this policy, and can he further assure the House that no workers in the marine service of CN on the Gulf run or in Port aux Basques will lose their jobs as a result?

Hon. Otto E. Lang (Minister of Transport and Minister of Justice): Mr. Speaker, the general answer to both questions which the hon. member has posed is that Canadian National seeks to accomplish the task facing it, at the lowest cost, and in that sense it examines which vessel is best for it to use and also which route should be used to send goods in order to avoid unnecessary expenditures.

The question of the implications of this with respect to jobs, particularly in places like Port aux Basques and North Sydney, is a matter of great concern to all of us, as was indicated in the House last week to myself and several of my colleagues in the government. We are looking at the situation constantly with CN, in an attempt to provide mechanisms through them and through other ways to offset any job loss which is threatened.

Mr. Faour: Mr. Speaker, it appears to me—and, I am sure, to many workers on the railway and in the marine service—that this diversion of freight traffic from the Gulf run to the Halifax run will have the effect of less traffic being carried on the Newfoundland railway and that it is just one further chapter in the downgrading of that railway. Can the minister explain why this is happening, especially in light of his commitment not to further downgrade the service until the final report of the Sullivan commission?

Mr. Lang: Mr. Speaker, it is happening, as I say, because of economic considerations which show lower cost opportunities for movement of the same goods. In fact, some of the greatest changes taking place in relation to the Newfoundland railway are changes which have led to a great volume of goods being moved by truck instead of rail. It may sound like an odd development to hon. members, but the figures show that the movement to truck from rail in Newfoundland is behind that kind of switch in other parts of the country. In other words, there are many factors at work, including the size of shipments, particularly small shipments, the flexibility of the vehicle, and so on, which make the truck the best vehicle for a lot of goods.

One of the things we will be doing in our attempt to make sure that an effective railway is operated for the next number of years is to examine all of the shippers involved, most of whom are all good Newfoundlanders themselves, as to why they are moving goods by truck rather than rail, and we will be making every effort to urge them to use rail as much as is practical.

Oral Questions

FISHERIES

SOCIAL BENEFITS AVAILABLE TO PERSONS EMPLOYED UNDER FOREIGN FISHERIES OBSERVER PROGRAM

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Minister of Fisheries concerning the Foreign Fisheries Observer Program, a program which I assume the minister feels is quite important in monitoring the activities of foreign fleets. Is he aware that some of the participants hired under this program by means of personal service contracts have an uncertain status regarding unemployment insurance benefits and perhaps workmen's compensation, and has he taken steps to monitor this program to ensure that these participants are fully protected, keeping in mind that foreign countries are paying for this program in the first instance?

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, I became aware of the problem as a result of the hon. member's and another hon. member's query. Obviously, these are personal service contracts and they normally do not include payment of unemployment insurance and such benefits. The employee is paid at the end of each trip and if a person is satisfactory to his employer, he may be hired again. I should say "he or she", because it is a fully liberated program.

I am concerned perhaps because of the many restrictions that caused us to take that route. I would be interested in seeing the development of a corps of observers who would be competent, experienced and would regard this work as suitable employment and, in fact, would help us in the program.

Mr. MacKay: Mr. Speaker, I appreciate the minister's answer. I would like to ask him about another point concerning this program. Is he aware of statements made by at least one of the participants hired under this personal service contract, that there seems to be a serious variation of job instructions between, for example, the duties on a Russian boat compared to a Japanese vessel? Is there some sort of liaison to make sure that these foreign fleets are given consistent and fair treatment in order to encourage them to co-operate fully with this country as far as the criteria are concerned?

Mr. LeBlanc (Westmorland-Kent): Mr. Speaker, we have bilateral agreements with both countries mentioned by the hon. member, and certainly I would want to make sure that there is total fairness in dealing with both of them. There is a period of training before these people are put on board foreign fishing vessels. I shall inquire with regard to the hon. member's question and pass along the information I receive.