In fact, to give full credit where credit is due, it was the Atlantic Provinces Transportation Commission itself that came up with a proposal in 1985 suggesting changes in the subsidy. It realized that this government was trying to reduce a deficit. It was trying to be sensible and reasonable and came up with a formula to reduce the subsidy from $35 million to approximately $10 million with consequential offsets to come into place.

That was 1985. It has not happened. There has not been any movement. There has not been any response. There have been some letters. Perhaps the problem is that it involves three or four ministers of the Crown and/or the Atlantic Province Transportation Commission and the Maritime Farmers Council, but there has not been any response to the most reasonable, responsible reaction to this element of at and east which we all knew needed change.

The *Budget Papers* say that this is one of the subsidy programs that has outlived its usefulness because now Atlantic ports are competitive with American ports. The phrase "at and east" was introduced to have Atlantic ports competitive at and east of Buffalo with American ports, i.e., the ports of Saint John and Halifax would be competitive. That was one of the reasons for the at and east subsidy and that has been recognized by the Atlantic Provinces Transportation Council.

There is another reason, which I know is going to surprise some members of this House, why there was an at and east proposal and this was never even touched on in the *Budget Papers*. I will go back to the initial debate on this bill in the Transport Committee in 1966. A fellow called Mr. Pickersgill, the then Minister of Transport, came before that committee and said certain things.

We honour my friend from Regina—Lumsden today. It is his birthday and he is going to get into the hallowed halls of retirees and pensioners. He has been a most diligent, constructive, and sometimes cantankerous member of the transport committee for 21 years, but he has always brought an insight on transport matters which I wish was shared by all members of this House. I compliment him for that.

This took place just before the member came along the pike, but I happened to be there. Mr. Pickersgill appeared before the transport committee on Thursday, October 6, 1966.

To digress for a minute, I wish that some members of this House on all sides would start to pay attention a little more to many aspects of our history. Quite frankly, if we looked at some of our history perhaps we would not have some of the problems that we have today.

Mr. Pickersgill, the then Minister of Transport, came before the transport committee on Thursday, October 6, to explain this mammoth change in transportation. In fact, it was the new transportation policy, it set up the national transportation agency. It was the new blueprint which was not changed until the Deputy Prime Minister, the Minister of Transport when we took over, brought in the new transportation act. About the at and east rates Mr. Pickersgill said, among other things:

> The one other thing that affects the Atlantic provinces, in this Bill especially, is something that has never been done before, and that is the underwriting of the so-called "At and East Rates", which are the rates on grain between the lakeports and ports from Montreal east, including and being of particular importance to Halifax and Saint John. According to the Board of Transport Commissioners, these rates are already unremunerative. In the year 1966 the railways already have been paid some compensation for maintaining these rates. We have decided to keep those rates at their present level and to pay compensation for doing so. This is because we feel there is an equal obligation in this field to the obligation with regard to the Crowsnest. The purpose of this is to ensure that we will have rates which will provide some inducement and incentive to shippers to use the facilities of the Atlantic ports. This might be a debatable question but, at any rate, it is the policy embodied in this bill and I think, on balance, when we consider the terms of the Atlantic Development Board study on the ports of Halifax and Saint John, as to the effects of the increased St. Lawrence transportation, it is one very desirable offset in that field.

That explanation extends the reason why there ever was an at and east. It was not just to be competitive with American ports. It was so that Halifax and Saint John could be competitive with the St. Lawrence ports. The St. Lawrence ports are still there. They still get the benefit of coast guard, ice navigation and many elements from the Department of Transport, and I do not quibble with that. But what I do take exception to is that in his budget speech the Minister of Finance mentioned only one reason why the subsidy was there. He is right that it is not necessary any more, because of containers and everything else, for that subsidy between Atlantic ports and the eastern ports at and east of Buffalo on the American side. But it is still very necessary for Saint John and Halifax in terms of the St. Lawrence ports that are still very much there and still very much get help from the federal government through many programs.