

P.E.I. Opts Out

After 1910 the Maritime premiers united in a struggle to increase the share of federal subsidies for their provinces. In the mid-1920s, confronted by a broadly based protest movement in the region, the federal government responded by appointing the Duncan Commission which recommended substantial concessions to the Maritimes. But the common front of Maritime premiers was broken by the federal government. The following letter from Premier A. E. Saunders of Prince Edward Island, whose Liberal administration came to power in 1927, to the federal minister of finance, J. A. Robb, sheds considerable light on the tactics of the federal government. The letter is found in a Department of Finance memorandum in the papers of the Commission on Financial Arrangements between the Dominion and the Maritime Provinces — the White Commission of 1934 - 35 — in the Public Archives of Canada. No copy has survived in the Saunders Papers in the Public Archives of P.E.I.

E. R. FORBES

Dear Mr. Robb:

7 October 1929

I have your letter of the second instant. I would prefer an appointment in Ottawa at a time when both you and the Prime Minister will be there. If a date in November is inconvenient, I would appreciate an appointment in December, — say, the week of the ninth, or any other convenient date.

I might say that it is not for the purpose merely of submitting statements to departmental officers that I intend going to Ottawa. As you know, the Duncan Report recommended an *interim* payment of subsidy to this Province, pending the final adjustment. While realizing that changing national conditions prevent any subsidy adjustment from being final, my proposed visit to Ottawa is for the purpose of securing such a final adjustment as was contemplated by the Duncan Commission.

When I saw you in Ottawa last spring, in company with Messrs. Sinclair and McLean, we discussed this matter, and you advised me to come to Ottawa this fall, at which time you would appoint a committee of experts from your Department to hear our representations.

In the House of Commons last session, the Prime Minister, in reply to a question as to why a final adjustment had not been made with the Maritimes, stated that claims had not been pressed by the latter. This statement of the

Prime Minister was often referred to by opposition members in our Legislature last session. Although I refused, in reply to tabled questions, to divulge all that had passed between the Federal and Provincial Governments on the subsidy question, on the ground of public interest; in justice to myself and in view of the Prime Minister's statement, I announced the arrangement suggested by you, namely that I was to go to Ottawa this fall, and present our case before a committee of experts to be appointed by you.

You further suggested, last spring, that this province should come alone, rather than in conjunction with the other Maritimes. Accordingly, I have on different occasions declined to cooperate with Premier Rhodes and Premier Baxter in a joint presentation. I also declined to have anything to do with a proposed meeting of the Maritime Board of Trade in this connection.

You will therefore comprehend that the meeting proposed for this fall transcends in importance, so far as this province is concerned, even the Dominion-Provincial Conference of 1927. I had anticipated that the committee to be appointed by you to hear our representations would familiarize themselves with our case, and would be prepared to discuss same in detail.

I will be prepared to go to Ottawa at any time, and I would appreciate your fixing a convenient date. I am desirous, however, as stated, that such a date might be fixed as will find the Prime Minister and yourself in Ottawa.

Thanking you for your consideration, I am,

Yours faithfully,
ALBERT E. SAUNDERS