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320 Bay Street, Toronto,  
January 25, 1945.

Dr. Eugene Forsey,  
374 Piccadilly Ave.,  
Ottawa, Ontario.

My dear Eugene:

Thanks very much for your letter of  
22nd with enclosure of Union exhibits before the Commission.

I do not doubt for a moment but that the Labour people are anxious to see the farmers get better returns, and certainly I know that you are. The point is, though, that the continual pressure for higher wages, resulting in a very largely increased level over the years, inevitably comes out of the farmers in the main, and for the very manifest reason that there is nowhere else it can come from. The level of wages determines the level of sale price—either that, or that level decides that the Company quits business. There is no major element in the nation except the industrial workers and the primary producers. True, there are the plant owners, but their share of the national income is necessarily very small. Their share can only be the difference between gains and losses, after, of course, all expenses, and that difference, statistically, is but a very small proportion of the national income. There are also, of course, the intermediaries—the small merchants, etc. Their average, taking into account bankruptcies, etc., is also very small, not only relatively but actually. Of course, it is the relative portion alone that counts.

I do not know whether I ever handed you the enclosed pamphlet or not. It is somewhat out of date at the present time, but only a few months ago I wrote Peterson and asked him to check over the figures and see if there were any that required change. He replied that there were none. He is a very careful student and a man of ability.

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