

From *The Maritime Apple*, June 28th, 1913:

TRUSTS AND COMBINES—DR. ADAM SHORTT SAYS THEY
PROVIDE BALANCE OF CONSUMPTION AND PRODUCTION.

Friends of trusts and combines are not numerous in Canada, but according to the Ottawa correspondent of the *Toronto Globe* they find a champion in Dr. Adam Shortt, economist and Chairman of the Federal Civil Service Commission. Testifying before a Parliamentary commission, Dr. Shortt observed that a salient feature of modern economic development is that in the last fifteen or twenty years there have been no long periods of general industrial depression such as occurred prior to the trust and combine period. "The reason," said Dr. Shortt, "lies in the concerted action of producers in getting together and regulating their output so that they shall not overdo the thing, so that they shall not starve each other out. That is the beneficent feature, of course, of the combination, and it is a feature to be considered in what I regard as the wild and miscellaneous talk about those combines. They represent a real and thoroughly sound development in our industry, but the power to regulate is also the power to coerce, and no proper distinction is made between the regulative power merely and the coercive power. The trusts provide a better balance of production and consumption, and that accounts for the absence in the last twenty years of those periods of over-production, stagnation, speculative booms, and all that kind of thing which we had in the nineteenth century. Our financial crisis of 1907 would have precipitated stagnation in the nineteenth century from which we should not have recovered for ten or twelve years. It was got over in five or six months because the forces that were there were more intelligent, better organized, and were not frightened by it to the same extent."