

In the United States of America the needs of the position are similarly stated by James F. Byrnes, Director of Economic Stabilization, as follows: "There is an increasing need for a positive programme to combat the rising (production) costs that threaten price ceilings and to assure people the minimum essentials at prices they can pay. The most effective measure toward accomplishing this lies in the simplification and standardization of production and distribution so as to make the most efficient use of the materials, man-power, and facilities that can be spared for civilians."

Rationing.—The importance of standardization to the rationing of civilian commodities is self-evident. It is equally necessary, for example, that rationing coupons should secure goods of consistent and known quality as it is that they should secure goods of consistent and known quantity. Otherwise there is no effective basis for allotting coupons. Consequently, every endeavour is being made in this Dominion, in common with similar action by other United Nations, to expedite the development and issue of Standard Specifications which will ensure that the quality of rationed goods is maintained. The British Board of Trade, for instance, prescribes, through British Standard Specifications issued by the British Standards Institution, the various kinds of cloth and utility clothing to be produced, and the minimum specifications to be used in producing it. This same general principle applies to all essential commodities within the war administrations of the various countries concerned.

Price Control.—Similarly, price control, unless related to defined quality, cannot be effective. In this connection the *Economist* of January, 1943, reports that the British authorities have "found that prices cannot be effectively controlled unless products are clearly defined."

A recent report from the Office of Price Administration, United States of America, acknowledges that it is "worried about quality deterioration unaccompanied by a downward trend in prices." The report states: "Inflation consists of paying more money for the same or even less valuable merchandise. Really bad inflation means such runaway prices, or such abominable quality, that money loses its significance." The statement concludes that the Office of Price Administration must go a great deal further in the direction of relating quality to price in order to render its administration effective.

A counterpart of the above statement relating to the British position states that, by having the minimum quality of cloth and clothing specified, and prescribing prices specifically related to quality, the initial problem of hidden price increases, through quality deterioration, has been largely solved.

General.—The foregoing summary appears to completely justify the conclusion that the purpose of stabilization is to ensure the maintenance of production and the supply of essential commodities of optimum service value at the lowest unit cost, and consequently at prices which the people can afford to pay. The success of a stabilization policy is therefore contingent upon the principle of standardization being effectively related to the administration of production, rationing, and price control. It follows, then, that all the work that has been carried out during the year has a pertinent bearing on stabilization.

The following specific examples may be cited to illustrate the way in which standardization is being developed in support of stabilization.

Footwear.—With the full support of the footwear industry, fifteen Standard Specifications have already been issued covering various classes and types of men's, women's, and children's footwear. These specifications provide a reliable basis for the manufacture of footwear, in respect of which the quality of the materials, component parts, essential features of construction, workmanship, and finish are defined in a way that affords an assurance to purchasers concerning the utility of footwear complying with such Standards.

Meat.—The draft specification which establishes meat grades, and definitions of cuts and joints, for meat sold on the retail market represents a further useful illustration of the relationship of the two activities. With the completion of legal preliminaries, and the establishment of the necessary machinery for the carrying-out of the actual grading, this specification will establish clearly defined grades in a way that will greatly simplify and facilitate the relating of prices to defined quality. It will also prove a valuable means that will dispose of the confusion and conflict which almost inevitably arises in the course of trade in the absence of clear definitions which convey the same meaning and express the same value to all concerned.

Clothing.—The simplification of clothing, referred to earlier in this report, has also made a substantial contribution towards stabilization, by conserving material, plant capacity, and man-power, thereby reducing processing charges and so enabling some of the increased costs of constituent materials to be absorbed. A still more important aspect, of course, is that this comprehensive programme of work affords the means whereby essential civilian supplies can be substantially increased in relation to the materials and other production resources available.

The above illustrations indicate that the specifications issued during the year, as listed in the appendix, must considerably assist the purpose of economic stabilization.

NEW ZEALAND STANDARD CODE OF BUILDING BY-LAWS

Further progress has been made in the formulation of the New Zealand Standard Code of Building By-laws (N.Z.S.S. 95). Two further Parts of this Code have been completed—namely, Part VII, "Means of Egress," and Part VIII, "Residential Buildings."

Part VII, "Means of Egress," establishes the basic safety principles to be followed in the location, design, construction, alteration, repair, and maintenance of the means of egress from buildings other than private dwellings and those used for public meetings. The exclusion of these last-mentioned buildings has been decided upon not because less importance is attached to egress from such buildings, but because some provision has already been made by other authorities. Consequently, the urgency attached to this aspect of the work is somewhat lessened. It is intended, however, to co-ordinate and amplify the existing requirements in a separate part of the Code, as the more urgent work is disposed of.