

Reverting to the report of the English committee, the advantage of purchasing on standard specifications instead of by trade-marks or by chance is stressed in the following terms :—

"We have already emphasized the necessity of establishing for each requirement a standard or standards representing the quality, grade, and size best suited for general use. Specification by reference to trade names or proprietary brand names is unsatisfactory. For even if it be known with certainty that the brand name is applied to only one product of constant and uniform quality, the specification of that product defeats the object of bulk purchase, firstly (and obviously), because it restricts competition to the producers of that product and, secondly, because the producer is often bound by agreement with his regular customers not to sell below a fixed price which is determined, to some extent, by the demand he has created for it, by expenditure on advertising and other factors which have only an indirect connection with the quality or intrinsic value of the product."

Reliable statements have been published by the steel industry in the United Kingdom stating that as a result of the adoption of standards within this industry it has saved over £1,000,000 a year. In the cement industry and in other numerous instances similar enormous savings have also been effected.

The *Encyclopedia Britannica* quotes a statement issued by the United States Chamber of Commerce to the effect that the elimination of waste of effort and materials, resulting from a full programme of standardization, would raise the standard of living by 25 per cent.

More than ten years ago authoritative statements set the savings effected through the standardization of United States Government purchases at \$100,000,000.

The English Parliamentary Committee previously referred to quotes the following from the "Logic of Industrial Organization," by P. Sargent Florence (Kegan Paul, Trench, and Co., Ltd.):—

"First of all there is a myriad variety in the articles provided. Instead of large-scale production of a few commodities, there is everywhere small-scale production of a multitude of sizes, shapes, and qualities of the same sort of article. Some numerical idea of this orgy of specification may be obtained by a glance at the United States of America. Even in that supposed country of standardization it took all the energy of Mr. Hoover, when Secretary of the Department of Commerce, to get the following results between 1921 and 1925. Among producers' goods the number of sizes or varieties of shovels, spades, and scoops, were reduced from 4,460 to 384, of grocers' paper bags from 6,280 to 4,700, of grinding-wheels from 715,200 to 255,800 Among consumers' goods the number of sizes and varieties of hotel chinaware was reduced from 700 to 160, of brass lavatory and sink traps from 1,114 to 72, and milk bottles alone from 49 to 9."

There can be no doubt, therefore, as to the possibility that exists for very substantial economies, if the standards principle were applied to the whole of the trade and industry of the Dominion.

Representations from business interests and public authorities in this country within the past year provide evidence that the urgency of the need to develop standards as a basis for the purchase of stores by public authorities is recognized. Manufacturers of paints, concrete pipes, bricks, and other clay products, textiles, and furnishings have pointed out that the development of national specifications covering these products, which would be acceptable to the public purchasing agencies in particular, would greatly reduce manufacturing costs, with a corresponding reduction in prices, limit the stocks they would be required to carry, and enable them to give better service.

Another important aspect to which attention has been drawn is that frequently workers have to be discharged during the slack months of the year when these materials, equipment, or goods are not being ordered—only because it is unsafe to manufacture for stock in the absence of specifications which will determine the types and classes of goods that will be subsequently ordered.

CONSUMER STANDARDS.

The development of standards for public purchasing would automatically promote the development of commodity or consumer standards that would yield incalculable benefits to producers, distributors, and users. In overseas countries where Government Departments, local authorities, and large commercial and trading institutions have developed the practice of buying almost entirely to specifications, producers and manufacturers have necessarily worked to these specifications, with the result that the advantage of the corresponding reduction in costs—side by side with a raising of the quality, utility, and efficiency of goods which has been secured by the major organizations—has also been extended, though in lesser degree, to the mass of individual consumers.

Apart from a great deal of valuable exploratory work that has been carried out, the development of the commodity and consumer side of standardization has not as yet received the serious attention of this organization. This is not due to any failure to recognize the importance of this aspect of the activity. It is acknowledged that it is supremely important, and if considered from the point of view of the number of people who would benefit directly from its development, or upon the basis of the proportion of national income devoted to goods purchased over the counter, as compared with the amount applied to bulk purchasing by public authorities and other organizations, it is by far the most important side of the work—that is, judged on relative volume of expenditure and benefits.

The Consumer Standards Advisory Committee has been in existence since 1936 and has appointed sub-committees to give attention to the following projects :—

- Paper and stationery.
- Textiles.
- Fruit and produce for the domestic market.
- Footwear.

The parent committee has met on two occasions and has given attention to exploratory work as a basis for future activity.