Price Authorisation is another phase of the price fixing policy. It wll be readily agreed that New Zealand cannot control the cost of goods produced in other countries, or the cost of shipping them to the Dominion. Goods manufactured in New Zealand from imported materials present the same difficulty. To overcome this problem the importer now submits a statement of the landing cost of the goods, on the arrival of each shipment, to the Tribunal which then determines the price to be charged This method does not prevent a rise in prices but on the other hand it prevents profiteering.

In assessing the true value of the stabilisation programme with regard to prices, it has been considered that if only stabilised goods are purchased—and these are accepted as being quite sufficient for a reasonable standard of life—the cost of living compared with other countries has advanced to a limited degree only.

Rationing must necessarily be an essential factor for stabilisation. A shortage of goods necessitates an equitable distribution and, as costs have been determined at certain levels, participation in their purchase can thus be made available to all sections of the community. Early in the war petrol was rationed in New Zealand and this method was applied to rubber goods when the main producing countries fell into Japanese hands. Sugar was rationed for the same reason. while tea imports were restricted owing to the difficulties of transport from Ceylon. Owing to shortages in England and difficulty of transport butter and meat have since been added to this list.

## CONTRACTS MADE.

New Zealand is in the fortunate position of being able to supply almost all her own requirements. Farming production has been maintained at a consistently high level. Contracts have been made with Great Britain for the purchase of New Zealand butter, cheese, meat, wool, and other farming products, and prices were thus able to be stabilised on the local market. The highly competitive pre-war market for these goods has since disappeared, but is certain to become manifest at the conclusion of hostilities, not only from within the Empire and from Denmark, but also from the United States. The present level of high prices in the United States seems to indicate that this country should not provide a grave danger in competition with New Zealand, providing prices in the Dominion do not rise to a similar degree. The maintenance of working costs at a low level should thus prove to be a policy of particular benefit to the farming community.

## FARMING COSTS.

The necessity for the stabilisation of farming costs becomes apparent for many other reasons. Butter, which sells at 1s 8d on the London market, has a serious rival in the manufacture of margarine, marketed in England at 5d to 9d per lb. However, at the moment the amount of margarine manufactured has been limited in relation to the supply of suitable fats, but after the war competition from this source will no doubt present a serious problem. Little imagination is required to realise the effect of this competition on the selling price of butter should unrestricted quantities of margarine be released on the market, and in consequence the New Zealand dairy farmer would have great difficulty in meeting obligations incurred in the expectation of continued high prices. The same problem faces the wool grower who, in all probability, will have to meet the same competition from synthetic textile fabrics.

A matter of great moment to the future welfare of the Dominion will be the question of farming costs and how they can best be maintained at a satisfactory level in order to safeguard the interests of the primary producer. To a certain extent the Stabilisation Regulations have endeavoured to provide protection for the farmer. In July, 1943, butterfat subsidies to the dairy farmer were granted from the Dairy Industry Stabilisation Fund Account into which would be paid, if and when available, the surplus at the end of each season in the Dairy Industry Account.