

hunch. My hunch, for what it is worth, is that the world's trade will not again flow to any great extent in the intricate channels worn by private commerce. It will flow mainly in channels deliberately excavated by administrative action.

Control Breeds Monopoly

A further and final reason for doubting whether controls will be easy to remove after the war could be summed up in the general statement that the child of control is monopoly. Whenever the State sets out to control an industry or service it sooner or later finds that the existence of many small units (unless the industry in question is already monopolistic or quasi-monopolistic in structure) is an obstacle to efficiency and that the easy way out of the difficulty is to encourage monopoly. Examples of this are the small litter of monopolies to which the Ministry of Supply has given birth, the organization known as Distributors Limited, which the Internal Marketing Division has created to handle the distribution of dairy-produce in the Wellington area, and the centralized egg-marketing arrangements made necessary to ensure a more equitable distribution of eggs to domestic consumers. Now, once an industry has been encouraged to develop monopolistic organization it is most difficult, even impossible, to separate it back into its original units. As an American economist has said, "You can't unscramble eggs." In many cases, therefore, the relevant choice will not be between private enterprise and State-controlled enterprise, but between uncontrolled monopoly and State-regulated monopoly. Indeed, I suspect that around this choice are likely to be fought the crucial political battles of our time—battles which will obscure the division between left and right (that is, between the employing class and the working class) which has been fundamental to our politics for half a century or more. And it seems to me that when this choice comes to be made a voice will be heard which hitherto has been only a dim, confused murmur—I mean the voice of the consumers.

Producer and Consumer

Before the war New Zealand was a producer-dominated economy, in the sense that producer groups were much more influential politically, by virtue of their greater compactness and clarity of purpose, than the unorganized and incoherent consumer interest. Why this was so, and why it is ceasing to be so, are questions too large to be examined here. What is indisputable is that the consumer interest has in the last five years become a force which Governments and administrators can no longer ignore. The present position of that much-belaboured institution, the Internal Marketing Division, is an interesting example of this change. The needs which gave rise to the Internal Marketing Division were producer needs. When the marketing of New Zealand's primary exports was brought under centralized control and producers of export commodities given a uniform and assured return, it was inevitable that producers for the domestic market should demand a similar organization of their affairs. Therefore the Internal Marketing Division was created to devise a system whereby producers of butter and cheese for the home market should be assured of the same return as producers for the export market. When other producer groups saw the success of this system they sought similar benefits, with the result that soon Internal Marketing was involved in rationalizing the affairs of producers of honey, apples, and citrus fruits. In the beginning Internal Marketing was oriented towards the producer interest; its function was to restore order and profit margins in the chaotic business of producing and selling for the local market. This task it was able to carry out competently and in decent obscurity—as long as it was answerable mainly to the producers. That it is now a sort of whipping-boy among Departments is due mainly to the growth over the last five years or so of a consumer consciousness. Internal Marketing is now obliged to regard its main task not as the protection of producers for the local market, but as the distribution to consumers of adequate supplies at reasonable prices.