

Consumer Consciousness

To regard this rise of a consumer consciousness, with its accompanying emphasis on the problem of distribution, as the transient outcome of war shortages is to miss the significance of much that is happening in economic thinking and economic practice. The proceedings of the United Nations Conference on Food and Agriculture at Hot Springs show that the great majority of Governments are now prepared to think of the world's economic problems in terms of the consumer rather than of the producer.

It would, of course, be extravagant optimism to suppose that the Hot Springs plan of a world economy geared to the needs of consumers and not, as in the past, held down to restrictive practices by the fears of producers will come immediately into being. Here, and in other countries, the fear of "over-production" is still very much in the minds of producers in spite of five years of shortages. But it would be safe to assume that the new consumer consciousness will at least be strong enough to compel Governments to give some attention to the problem of regulating in the consumer interest the crop of monopolies which has grown up under the shelter of wartime controls.

Distribution: Two Examples

The point can be made clearer by descending from high generalities to eggs. To enable the New Zealand Government to meet the needs of our own and Allied forces, and also to make possible a more equitable distribution of supplies for the domestic market, the wholesale handling of eggs has been centralized in what are known as "egg floors." In effect, these egg floors are regional wholesale monopolies. It is significant that already some egg-producers are convinced that this form of control should be made permanent because it offers a means of combating the gluts which, in time of peace, periodically disturbed the egg market and depressed prices. Egg-producers are already being warned that "over-production" is just round the corner and that they have in the device of the egg floor a means whereby their

profit margins can be stabilized. It is thus a safe guess that after the war the egg industry will elect to retain the monopolistic organization imposed on it by wartime controls. It is also a safe guess that no Government will find it safe to allow such a monopoly, with its inherently restrictive tendencies, complete freedom of action.

Another example of how wartime controls breed monopolies which tend to entrench themselves can be found in the baking industry. The system of bread zoning now in force in most New Zealand towns has the effect of making every baking business into a monopoly with a defined market. Its purpose was to save petrol, tires, and labour, and it has succeeded so well that few bakers will be anxious to go back to competitive distribution. If they do elect to retain their monopolies, continued regulation of prices and standards of bread will be essential in the interests of consumers.

War Intensifies Pre-war Tendencies

Indeed, the more this subject is pursued the more apparent it becomes that, while it may be easy enough to state in general terms a case for getting rid of wartime controls or a large part of them, it is very difficult to particularize. In many instances what looks like a wartime control turns out to be merely a further and logical development of a form of control which had started before the war. In other instances—housing is one—the need for a particular commodity is so great that its production cannot be left entirely to private enterprise. In still other instances, wartime controls have created producer monopolies which producers themselves are likely to cling to. And, finally, New Zealand's monetary situation dictates a continuance of a whole complex of controls designed to keep our external payments in equilibrium.

Two Public Services

To any one who has been closely concerned with the business of public administration and to any one who has thought at all carefully about the trend of New Zealand's economy over the last decade or so, all this is sufficiently