

IS MILK DISTRIBUTION A MUNICIPAL FUNCTION?

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Surveys made by the New York Department of Health show that "out of twenty-two hundred families, each having at least two children under six years of age, fifty per cent had decreased the amount of milk used since the price had begun to increase." :: :: :: ::

JOHN STUART MILL has written: "When a business of real public importance can be carried on advantageously only upon so large a scale as to render the liberty of competition almost illusory, it is an unthrifty dispensation of the public resources that several costly sets of arrangements should be kept up for the purpose of rendering the community this one service." This principle undoubtedly applies in the case of the present-day duplication of effort in the distribution of milk to the family units in our various municipalities and many plain, "ordinary citizens" are asking themselves to-day why municipaliza- tion is not being urged upon our local legislators.

In the quotation given above the venerable economist stated the need for action when a certain condition was found to exist. As to the character of the action to be taken it was his opinion that the utility or service in question should either become a public function or should be entrusted to the care of a benevolently-inclined private monopoly. Taking the Mill quotation as a text, Mr. Irwin G. Jennings has written a doctorate thesis (Columbia University) entitled "A Study of the New York City Milk Problem," and this study has been published by the National Civic Federation for obvious purposes of propa-

ganda. Mr. Jennings' monograph contains many facts and figures of interest but his conclusions do not appear to be the only logical result of his premises. His antagonism to the main point at issue is shown by his statement that, "the function of government is not business and those engaged in public life would do better in adhering to their proper functions."

CO-ORDINATED DELIVERIES BY AGREEMENT

The reason for propaganda of the above sort is not difficult to ascertain, for war-time governmental "interference" was not wholly confined to such larger utilities as the steam railroads. For many years past transportation experts have pointed out the great reduction in prices which could be effected by a centralized system of milk distribution, with the elimination of duplication in deliveries. The United States Food Administration was not entirely blind to these recommendations and an attempt was made to zone the city of San Francisco¹ and to restrict the number of companies distributing milk in each zone. Difficulties arose, however, and the plan was never carried out. The

¹See "The Movement for Co-operative Delivery of Milk," NATIONAL MUNICIPAL REVIEW, vol. viii, no. 2, p. 195.

matter also came up in Chicago but the Federal Milk Commission discovered that its jurisdiction did not extend to questions of distribution.¹

The problem of milk distribution seems to have been accorded serious attention in Great Britain where the pressure of war-time hardship was much greater than in this country.² In that country efforts similar to the San Francisco experiment were made in the endeavor to bring about effective co-operation among local milk distributors. Thus Mr. William Warburton, executive officer of the Bradford food control committee, reports "a scheme of block distribution adopted and put into operation by the milk retailers." But as to the effectiveness of the plan Mr. Warburton reports: "Milk has been diverted from one area in the city to another . . . leaving large areas of population entirely without, and unduly improving the supplies of another . . . the present scheme is breaking down, almost every milk retailer apparently being a law to himself. Streets are left without for days, when there is a shortage; there is little or no attempt to give a proportion to all their customers. The method appears to be to distribute

¹ See Chicago *City Club Bulletin*, May 26, 1919, p. 129, "Committee Reports on Milk Study."

² The milk retailers of Salcoats voluntarily surrendered their licenses as distributors as a protest against the retail prices fixed by the local food control committee. Faced with this situation the committee took over the complete responsibility for local milk distribution, inaugurating a central milk distribution depot and obtaining the necessary milk supplies under requisition from the farmers who formerly supplied the retailers. According to the *Municipal Journal* (London) "the requisitioning . . . is merely a formality, as the farmers generally are very friendly to the scheme, which has worked well for some months, and is now placed on an established and permanent basis."

what is available, sometimes in large quantities to those who happen to be at the commencement of the district. Changes are frequently made between milkmen, without the knowledge of the food office. Milk rounds are disposed of, sometimes to producers, who then transfer their milk from another retailer, and there have been cases where changes have resulted in the loss of supplies to the city."

LOCAL MILK CONTROL IN ENGLAND

The possibility of troubles of the above order seems to have been foreseen by the government authorities, as clause 13, sections a and b of the Milk (winter prices) Order of 1918 authorized local food control committees, (subject to the concurrence of the food controller) to fix maximum retail prices for their districts, and in the event of refusal on the part of distributors to accept the prices so fixed, *to make their own temporary arrangements for insuring distribution to consumers.*³ In accordance with this ruling Mr. Warburton, in the above-mentioned report, appeals to the food controller for permission for the Bradford food control committee to take over the whole responsibility of local milk distribution.

Action similar to that at Bradford was taken soon after in the city of Sheffield. The local food control committee, which in the past had co-operated with the milk dealers, now came forward with a plan for municipalization in order "to increase the (milk) supply and improve the chaotic and

³ The Wholesale Milk Dealers (control) Order of 1918 was revoked April 30, 1919, but the revocation is stated to be "without prejudice to any action towards the permanent control of the wholesale trade in milk that may be decided upon." (*National Food Journal*, May 14, 1919, p. 393.)

unsatisfactory methods of distribution." In making this recommendation the committee state that similar action has already been taken in other British communities."¹

NATIONALIZATION OF WHOLESALE MILK TRADE

Local activities of the above character have not been without their effect upon the leaders in the government. Mr. McCurdy, speaking in parliament for the food controller last

¹ With the termination of the war the powers of the local food control committee ceased, and under "the present legal conditions" Sheffield lacks the power to undertake the distribution of milk. In view of this fact the committee have published a report in which they recommend "that the council should press upon parliament the necessity of passing a general statute conferring full enabling powers respecting the retail distribution of milk upon local authorities" and "that failing such legislation before November next, the council should apply for full powers, enabling them to undertake the retail distribution of milk in the city."²

² Memorandum upon the "Milk Supply of Sheffield." Sheffield Food Control Committee. January 31, 1919. 10 p.

March, said that experiments of the above kind had occurred in "a comparatively small number of cases," but two months later we find Mr. Kennedy Jones in parliament asking whether the government were considering the nationalization of the wholesale trade in milk and what evidence had been, or was being collected, to justify such a step. In the reply to Mr. Jones it was stated that the ministry of food, the departments of agriculture and the local government board are exhaustively examining "the whole question of the desirability of exercising a permanent control over the wholesale trade in milk."

From the foregoing it will be seen that the question of centralized control or supervision of the milk supply and of its distribution is at last receiving the attention which it deserves in at least one of the great nations of to-day. With milk prices steadily mounting skyward in this country, and in the face of reports of augmented infant mortality statistics, it remains to be seen what action will be taken by the national, state and local governments of America.