

MEMORANDUM FOR CABINET BY THE HON.
MINISTER OF TRADE, INDUSTRY AND AGRICULTURE

Stockpiling of Essential Commodities

On the outbreak of the Arab-Israeli war in 1967, steps were immediately taken under the Supplies and Services Act, 1947 to ensure a fair distribution of the then existing supplies of essential commodities. A Committee was also set up to examine the supply situation, to ensure the availability of supplies and to suggest ways and means to exercise the necessary controls.

2. The Committee submitted its report in August 1967 and amongst other things recommended that the emergency flour mills be made operational, that the Power Station be linked by pipeline to Ras-Manġir and that underground storage facilities be made available to stockpile essential commodities to cover a three-months' supply. The Committee's recommendations were motivated not only by the fear of the disruption of the normal sources of supply but also by the necessity of having adequate arrangements should Malta ever get involved in war. Regretfully, the Committee's recommendations could not be implemented because of the unavailability of funds.

3. In view of the impending discharges of Service employees, the current year might well prove to be a difficult year as, all things considered, it is physically impossible to find immediate alternative employment for all the discharged personnel. This might lead to some social unrest and more frequent strikes which might affect our ports. It is therefore highly desirable that there should be available in

Malta ...

Malta at least a three months' supply of essential commodities. A list of such commodities showing also the estimated supply of each commodity normally available in Malta is at Appendix A.

4. It is therefore essential to have a standing Committee to deal with this matter. This could be made up of the Director of Trade as Chairman and of representatives of the Office of the Prime Minister, the Ministry of Finance, the Police, the Department of Industry and the Civil Defence. The Committee should be empowered to co-opt other Heads of Department, if and when necessity arises, and be specifically directed to find ways and means to ensure that a three months' supply of all the essential commodities is available at all times even if this would entail the setting up of a revolving fund from Government sources to enable importers to carry larger stocks than usual.

5. Hon. Ministers are invited to advise on this question.

MTIA/817/67

16th April, 1969.

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APPENDIX A

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The subjoined list gives an assessment of the estimated normal stockpiling of each commodity, but it should be borne in mind that the "normal" may vary from time to time, according to the season and to the vagaries of the world market. When prices are low on the world market, the importer tends to purchase larger stocks, whereas when prices go up the importer buys only the barest minimum. Thus it is not safe to assume that in Malta there is always a reserve for the period mentioned in the list below.

<u>Commodity</u>	<u>Normal Stockpile</u>
Butter	One month
Cheese	One month
Coffee	Six weeks
Tea	Six weeks
Edible Oil	One month
Sugar	One month
wheat	Two months
Medicinal Preparations	Various
Laundry Soap	One month
Margarine	Three weeks
Matches	One month
Rice	One month
Hard	Three weeks
Tinned Meat	One month
Tinned Milk	One month
Infant Foods	Three weeks
Animal Fodder	One week
Kerosene	One month
Benzine	One month
Gas Oil	One month
Fuel Oil	One month
Coal	Two months

This list does not include essential supplies required by Government Departments, as it is understood that information about such supplies is already available.