

✓ Sitting No. 2/63.

Cabinet Meeting held at the Auberge d'Oron,
Valletta, on Thursday, 3rd January, 1963, at
11 a.m.

Present: The Hon. Prime Minister and Minister
of Economic Planning & Finance.
The Hon. Minister of Industrial Development
and Tourism.
The Hon. Minister of Education.
The Hon. Minister of Agriculture, Power
and Communications.
The Hon. Minister of Justice.
The Hon. Minister of Works and Housing.
The Hon. Minister of Labour and
Social Welfare.
The Hon. Minister of Health.

The minutes of Sitting No. 1/63
were read and confirmed.

OPM. 564/62 Milk Quota (Memo. No. 31).

Mr. A. Salomone, Financial Secretary, Mr. E. Liman,
Manager, M.M.P., and Mr. C. Dantidello, Assistant
Manager, M.M.P., were in attendance.

It was explained that as
a result of the milk policy adopted by the
Government on the recommendations of the
Committee of Enquiry into the Milk Policy 1959
a new contract and a new price structure

(*) The prices obtaining at present were 4/10 per gallon for a yearly standard quantity of 4,000,000 gallons and 3/6 per gallon for all milk supplied in excess of that quantity.

based on a yearly standard quota were introduced in November 1959. In its Statement of Dairy Policy the Administration made it clear that the only milk which was at all economic in Malta's price structure was that milk which was sold to be drunk. (*) The effects of that policy was a downward trend in milk production as, according to the Department of Agriculture, the price of 4/10 per gallon was not considered adequate in view of the increased prices of fodder. The Milk Marketing Undertaking was not finding it difficult to obtain the standard quota allowed at the higher price during the period when the milk supply, due to natural causes, was very restricted. The greatest difficulty was experienced in the months of October to December when the milk intake was on the decline. The position got worse when schools opened and it was not possible to meet school milk requirements from stocks of fresh milk.

To remedy the situation it was proposed to encourage producers to produce more milk by raising the standard quota. An extra expenditure of about £26,000 per annum would be required if that measure was adopted. Alternatively there would have to be an increase in the price of fresh pasteurized milk to the public.

The Cabinet fully

appreciated the position, but did not think)
that the proposed measures could be
adapted at present. It was not
financially possible for the Government
to bear an additional expense of £12,000
within its present ~~budget~~ ^{available}
under the present circumstances to incur
the expense of such a ~~substantial~~ ^{substantial}
proposition for milk.

It was decided therefore
that the matter should be reconsidered
at a time when it would be possible
for the Government either to bear the
additional expense involved in the proposal
or to adopt the alternative measure
of increasing the price of fresh pasteurized
milk to the public.

G. Fenech

Minister
9.1.63

Secretary to Cabinet
9.1.63