

SECRET

FUTURE ARRANGEMENTS FOR THE MALTA DOCKYARD

It is the joint objective of the British and Malta Governments to ensure that during the current litigation between Bailey (Malta) Ltd. and the British Government, the work in the Dockyard continues without interruption and the conversion of the yard is completed as rapidly as possible with a view to ~~its~~ establishing a well equipped commercial yard internationally accepted as such and capable of further development. It is the hope of both Governments that in so far as commercial operation may involve a reduction in the numbers employed it should be brought about in such a manner as will entail the least possible hardship.

Accordingly the following assurances and understandings ought to be reached between the British Government and the Maltese Government:-

1) The Malta Government would legislate to appoint a Council of Administration to take over the management of the Yard and its assets in Malta pending a settlement of the dispute between H.M.G. and the Company, whether achieved in or out of court.

2) The British Government has been advised not to publish the Muirie Report as a Command Paper at present, but to make it available only to Members of Parliament by laying it on the Table and placing copies in the Library of each House. So far as the British Government is concerned, the Malta Government is at liberty to publish the Report if it wishes. It will no doubt wish to take the advice of the Malta Attorney-General.

Publication would make it easier for the Malta Government to carry public opinion and in particular Trades Union members with them.

3) The Malta Government would appoint (and have the power to remove) a number of mutually agreed persons of standing as members of the Council of Administration who would function as an autonomous authority. The Council would include Maltese representation. It would meet in Malta, save in exceptional circumstances. It would appoint a reputable firm as managing agents.

4) The British Government would continue to finance the conversion of the dockyard under the existing plans and financial arrangements, except in so far as variations may be agreed. The change in management would not impose any new financial liability on the Malta Government nor, save for the contingencies referred to in (8) below, on the British Government.

5) The British Government would agree that pending the appointment of a Council of Administration they will endeavour to make arrangements to pay the main contractors direct so that the conversion of the Yard may continue.

6) The Council of Administration could expect that, provided terms acceptable to the Admiralty could be agreed, the Admiralty would allocate TROUBRIDGE to Malta this year and would carry out its previous intention of providing such other naval work as is reasonably practicable during the conversion period.

7) The benefits to which workers are entitled under the pensions and gratuity schemes and other welfare schemes now operating in the Dockyard would be maintained.

8) The British Government would indemnify the Malta Government against all claims for damages or compensation arising from the legislation or the management of the Council of Administration.

L-Arkivji Nazzjonali ta' Malta