

MEMORANDUM FOR THE CABINET  
BY THE PRIME MINISTER

Proposed U.K./U.S. Agreement regarding the  
operation and maintenance of the Underground  
Oil Storage Depot at Has-Saptan

The Underground Oil Storage Depot at Has Saptan, includes the installation at Corradino which was constructed at U.K. Government expense and completed in 1939/40, and the Has Saptan complex which was completed in 1961/62. The cost of the latter was borne in roughly equal shares by the U.K. Government and N.A.T.O., the U.K. Government contributing about  $\text{£}4\frac{1}{4}$  m. on behalf of Malta. A storage capacity of 11% of the total capacity is earmarked for the Malta Government's use. Needless to say, the installation contains fuel supplies for British and NATO aircraft and ships, and British land transport and installations. On Independence, the land containing the Depot became the property of the Government, though it is still occupied and used by the British Services as a Service establishment.

2. The British High Commission have submitted formally that the Ministry of Defence and the United States may desire to conclude an agreement regarding the operation and maintenance of the Depot but would wish to know whether such an agreement would have the concurrence of the Government of Malta. Ships of the U.S. Navy have been making use of the Depot, by arrangement with the British Authorities, but the Americans evidently wish to have a firmer and more formal arrangement.

3. The Ministry of Commonwealth and Foreign Affairs feel that the United Kingdom Government should not be allowed to cede to a third country, any of the facilities it enjoys by virtue of a bilateral arrangement with us. It is felt moreover that it would be unwise, in effect, to grant formally the use of a military installation in Malta to a particular country over and above the facilities already enjoyed by the British Services and NATO who have either an

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obligation for or an interest in, the defence of Malta. The United States as such has none. In any case, the Americans as part of NATO, already have the use of this particular facility, and the absence of a formal agreement as requested, would not hamper such use in any way.

4. The Americans use this facility under the terms of the procedure for diplomatic clearance of foreign naval vessels, drawn up by the Ministry of Commonwealth and Foreign Affairs. As laid down in that procedure, diplomatic clearance involves three aspects, (a) political, (b) security, (c) berthing and provisioning. (a) is entirely a matter for the Malta Government, (b) is an interest shared by both us and the British authorities, whilst under (c), berthing is the Port Manager's responsibility, whilst provisioning has remained the concern of the British Naval Authority. In terms of this procedure **which the** Ministry of Commonwealth and Foreign Affairs had evidently drawn up in consultation with the Services, it is in order, once we give diplomatic clearance to enter harbour, for foreign naval vessels to draw their operational requirements from the British Authorities.

5. Ministers are asked to say whether they agree that no formal agreement between the U.K. and U.S. Governments should be entered into as requested, and to say whether they consider that there is any objection to the U.S. Navy continuing to use this facility by arrangement with the British services or, alternatively, whether the Americans should be requested to draw their fuel supplies from civil sources, if, on investigation, this is a feasible and practical proposition.

11th February, 1970.