

✓ Sitting No. 26/66.

Cabinet Meeting held at the Auberge d'Oran, Valletta, on Saturday, 26 August, at 10 am.

Present: The Hon. Prime Minister

The Hon. Minister of Finance, Customs & Ports

The Hon. Minister of Justice & Parliamentary Affairs.

The Hon. Minister of Trade, Industry & Agriculture.

The Hon. Minister of Health

The Hon. Minister of Education, Culture & Tourism.

The Hon. Minister of Labour, Employment & Welfare.

Absent: The Hon. Minister of Public Building & Works.

The Minutes of Meeting No. 25/66 were read and confirmed.

OPM. 548/66

Relations with U.S.S.R. (Memo. No. 637)

Hon. Ministers considered Memorandum No. 637 dealing with the possible establishment of diplomatic relations with U.S.S.R. They agreed that the matter merited further study and therefore

up to you reconsideration at another meeting of the Cabinet.

OPM 513/65.

The Dockyard (Memo. No. 635)

The Cabinet again considered Memorandum No. 635 on the Bailey - U.K. Government's question. It was explained that to resolve this question the British Government had favoured expropriation by Maltese legislation of the company's assets and the liquidation of the company. There would be no serious legal difficulties in the course proposed by the British ^{Government} ~~hand~~ and the principle of expropriation would be acceptable to the Government of Malta provided the British Government were to accept liability for all costs, not merely half the amount of compensation, in which case the Dockyard would revert to the Malta Government "free and unencumbered".

Colley Oliver,
Prime Minister
23. 8. 66.

Edg. [Signature]

Sending to Cabinet.
23. 8. 66