

# THE STRATEGY OF UNRUFFLED PERSISTENCE

## BORG OLIVIER'S 1952 NEGOTIATIONS WITH THE BRITISH GOVERNMENT

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Following the restoration of Responsible Government in 1947, Maltese Government delegations went to London in 1948 and 1949 for talks with the Secretary of State for the Colonies and his officials.<sup>(1)</sup> The common factor underlining these visits was Malta's precarious financial and economic situation. This was partly due to the devastation caused during the Second World War, and partly to Imperial defence policy which caused the Island's economy to become lop-sided.

Officials at the Colonial Office had become used to negotiating with both Boffa and Mintoff. Steady refusal tended to result in Boffa ultimately accepting the situation. Mintoff tended to react stormily and to attempt to devise ways and means of hitting back in an effort to convince the British to change their attitude.<sup>(2)</sup>

In 1952, the Colonial Office had to deal with Dr G. Borg Olivier. Like Mintoff, Borg Olivier would not accept a negative answer, but his reactions, as well as his subsequent tactics, differed considerably from either Boffa's or Mintoff's.

It is my intention in this paper to examine Borg Olivier's negotiating strategy, and evaluate the degree of success obtained by it.

### **Borg Olivier's Commitment to Constitutional Reform**

Notary George Borg Olivier, became leader of the *Partit Nazzjonalista* and Prime Minister within a few hours of Dr Enrico Mizzi's death on 20 December 1950.<sup>(3)</sup> The 38 year old notary had been deputy party leader since 18 September 1949.<sup>(4)</sup> The

1. Dr Paul Boffa, Labour Prime Minister between 1947 and 1950, and Mr Dom Mintoff, Minister of Public Works and Reconstruction (1947–49), formed the delegations. For a full treatment of the political events and issues of the period, see Pirotta J.M., *Fortress Colony: The Final Act 1945–64*, Vol. I. Malta (1987).
2. The differing attitudes adopted by Boffa and Mintoff precipitating a split in the Malta Labour Party and led to a government crisis.
3. Dr Enrico Mizzi, leader of the Nationalist Party, became Prime Minister at the head of a minority government in October 1950.
4. Following Mizzi's deportation to Uganda on 13th February 1942, and the death of the Nationalist Party's co-leader, Sir Ugo Mifsud on 11th February 1942, Borg Olivier had become the chief Nationalist spokesman in the Council of Government. By the time of Mizzi's repatriation on 8 March 1945, many Nationalists had begun to consider Borg Olivier as the *de jure* deputy party leader. He was formally elected to this post during the party's 1949 Congress.

Nationalist Administration that he continued to lead was, as expected, short-lived,<sup>(5)</sup> but Borg Olivier's career as Party leader began quite successfully. In the General Election held in May 1951, the Nationalist Party gained a further three seats and emerged once more as the largest party in the Legislative Assembly although it remained short of an overall majority.<sup>(6)</sup> A coalition government was formed between the Nationalists and Boffa's Malta Workers Party, with Borg Olivier as Prime Minister.

Borg Olivier possessed a strong commitment to traditional Nationalist policy of seeking dominion status for Malta. He had inherited this commitment from his predecessor Enrico Mizzi.<sup>(7)</sup> He believed that Malta's priority was the earliest possible shedding of its colonial status. In July 1951 he explained to the *Giornale d'Italia* that the Nationalist Party's fundamental principles included

defence of the . . . Constitutional rights on which our aspirations for Dominion Status are based.<sup>(8)</sup>

In November he told the Legislative Assembly:

What I and my party want is a radical [constitutional] reform. We aspire to Dominion Status, and I will continue to believe until I die that before Malta achieves certain responsibility she cannot make any progress.<sup>(9)</sup>

The most pressing problem facing Borg Olivier's Administration was the Island's uncertain financial and economic position. In a statement to the Legislative Assembly on 25 June 1951, Dr J. Frendo Azzopardi, Minister of Finance, predicted 'a deficit of not less than £832,000' at the end of the financial year.<sup>(10)</sup> On 19 July the Administration resorted to a Temporary Borrowing Bill to raise £500,000. This sum was required to meet the increased cost of importing meat and other essential commodities.<sup>(11)</sup>

In October the Government announced that a ministerial delegation would proceed to London at the earliest opportunity. It would seek financial and economic aid to put Malta's 'yearly budget on a sounder footing.'<sup>(12)</sup> The government expressed its determination

5. In the 1950 General Election to fill the 40 seats in the Legislative Assembly, the Nationalist Party won 12 seats; Malta Labour Party – 11 seats; Boffa's Labour Group – 11 seats; Constitutional Party – 4 seats; Democratic Action Party – 1 seat; and Dr G. Cauchi was elected as an Independent. The minority government was decisively defeated on 10 February 1951. *Legislative Assembly Debates*, 10–2–51.
6. The 1951 election result was: Nationalist Party – 15 seats; Malta Labour Party – 14 seats; Malta Workers Party (ex-B.L.G.) – 7 seats; Constitutional Party – 4 seats.
7. The Nationalist Administration of 1932–33, formally demanded dominion status for Malta in 1932. Mizzi F.P., *A Memorandum on the Dominion Status of Malta*, Malta (1964), reproduces the relevant documents.
8. As quoted in *Patria!*, 8–8–51.
9. *Legislative Assembly Debates*, 21–11–51.
10. *Ibid.*, 26–5–51. The 1951–52 Financial Estimates had not yet been presented for the Legislative Assembly's approval.
11. *Ibid.*, 19–7–51. Prices on world markets had soared as a result of the Korean War. Malta had also been hit by sterling's devaluation.
12. *Ibid.*, 16–10–51.

to leave nothing undone in [its] endeavour to secure wider constitutional liberties by the removal of reserved matters.<sup>(13)</sup>

In a broadcast to the nation prior to the delegation's departure, Borg Olivier stated that they would insist on

immediate financial assistance[so as to] be able to count on a certain degree of stability in the economy. . . a stability that will enable us to keep pace with our political development.<sup>(14)</sup>

The reference to political development in connection with the scheduled financial talks was indicative of the Nationalist leader's primary political objective.

Although it seems fairly certain that Malta's constitutional status was very much on Borg Olivier's mind on the eve of the delegation's departure for London, he had made no attempt to broach the subject with the Colonial Office. This indicates that he did not judge the moment to be opportune for a direct approach. But as the talks proceeded Borg Olivier was ready to grab any opportunity to draw attention to Malta's constitutional restrictions, and to attempt to lessen them.

#### Delegation's Poor Prospects for Success

The Colonial Office did not welcome the imminent arrival in London of yet another Maltese delegation claiming a right to financial aid. Maltese political parties were unanimous that the role of fortress colony imposed by Britain on Malta had warped the Island's economy by rendering it subservient to Imperial defence needs. The British rejected the notion that Malta had a *right* to aid. J.S. Bennett, a Colonial Office official, had tried, in connection with another matter, to come to grips with the problem: 'The crux of the matter is what can be regarded as Malta's rightful due.' The British point of view was bluntly entered in the margin – 'Answer: Nothing.'<sup>(15)</sup> Britain was only ready to consider *need* as the basis for any claim submitted by Malta.<sup>(16)</sup> Such a premise was totally unacceptable to the Maltese who had a 'dislike of coming forward cap in hand.'<sup>(17)</sup>

British officials regarded the Maltese as obdurate. This made them rather apprehensive of a Maltese delegation led by Borg Olivier, whom the Governor, Sir Gerald Creasy, described as 'most stubborn and obstinate.'<sup>(18)</sup>

On this occasion the urgency of receiving the Maltese delegation was emphasised by the Governor, who was greatly perturbed by the Island's financial situation. However, when Creasy suggested to Sir J.M. Martin at the Colonial Office that it was essential that the delegation did not return 'entirely empty-handed,'<sup>(19)</sup> he was

13. *Ibid.* Reserved matters covered those areas which, under the 1947 Constitution the British government reserved to its jurisdiction alone.

14. Broadcast by Dr G. Borg Olivier, as reported in the *Times of Malta* 31 – 5 – 52 .

15. Minute by J.S. Bennett, C.O. 158 584 89859.

16. Note prepared by J.M. Martin regarding a proposed Parliamentary Paper on Malta. C.O. 158 584 89889.

17. Minute by C.M. Harrison 7 – 2 – 52 . C.O. 926 108.

18. Creasy to Martin, 9 – 1 – 52 . C.O. 926 108.

19. *Ibid.*

told that there was 'not the least chance of further financial assistance being approved'<sup>(20)</sup> to Malta. At the Colonial Office it was deemed that a good deal of the U.K. case would 'consist of saying "No" or "Why".'<sup>(21)</sup>

Mr Oliver Lyttelton, Secretary of State for the Colonies, did not possess a free hand to settle financial and economic claims on his own authority. His decisions had to have prior Treasury approval. Not only was the Treasury at this time particularly antagonistic towards Malta,<sup>(22)</sup> but they were also grappling with Britain's own economic problems. Lyttelton therefore asked the Malta Government to submit a list of the matters they wished to discuss. Each item was to be accompanied by an individual statement of case. The proposed agenda was to reach him at least a month before the delegation's scheduled arrival in London.<sup>(23)</sup> The Maltese Government complied with Lyttelton's wishes and it appeared to the British – with a sense of relief – that the delegation did 'not wish to raise any matters other than financial.'<sup>(24)</sup>

The Ministerial delegation led by Borg Olivier left for London on 30 May 1952.<sup>(25)</sup> The Maltese sought assistance totalling £4,500,000 over a period of five years. They requested £400,000 a year to help meet the increased costs of food subsidies; a further £1,500,000 from the Colonial Development and Welfare (C.D.W.) Fund, so as to finance the whole of the social equipment programme as envisaged by Schuster; and £200,000 a year towards the Government's emigration programme.

The Maltese claimed that Britain had a moral obligation to help Malta since the Island's parlous financial and economic state was due to the devastation suffered during the war; Imperial defence policy; and policies initiated by the 1933 – 1947 Colonial Administration and later passed on to the Maltese Government.

### **Aid for Food Subsidies Rejected**

The delegation's claim for financial aid towards food subsidies was based on the fact that the decision to subsidize essential food items had been taken during the war by the Colonial Administration. It was therefore an inherited liability which the Maltese Government could not shed without an unacceptable lowering of the people's standard of living. The recent devaluation of sterling and increased world prices had made the financial burden involved too heavy for Malta's unaided resources to carry.

20. Martin to Creasy, 16 – 1 – 52 . C.O. 926 108.

The other assistance alluded to was the allocation of £1½ million to Malta from the Colonial Development and Welfare Fund in 1950 for social equipment projects, on condition that the Maltese Government would allocate a similar amount from its own resources. This grant was the result of the Interim Report filed by the British Economic expert, Sir G. Schuster. Schuster's brief had been to advise the Malta Government on its budgetary plans and to make recommendations to the U.K. Government as to how it could possibly aid Malta. Schuster G., *Interim Report on the Financial and Economic Structure of the Maltese Islands*, Malta Government Press (1950).

21. Minute by J.S. Bennett, 14 – 5 – 52 . C.O. 926 108.

22. For the causes and results of this attitude, see Pirotta J.M., *op.cit.*

23. Secretary of State to Creasy, 31 – 1 – 52 . C.O. 926 108.

24. Creasy to Secretary of State, 3 – 5 – 52 . C.O. 926 108.

25. Accompanying Borg Olivier were: Dr P. Boffa, Minister of Health and Social Services; Dr J. Frendo Azzopardi, Minister of Finance; and Mr Edgar Cuschieri, Treasurer. Mr Alfred Salamone, Commissioner General for Malta in London, assisted the delegation.

The British response was to stress the United Kingdom's own financial and economic problems. Mr H. Hopkinson, Minister of State for the Colonies, turned down this request. He explained that food subsidization went against current U.K. Government home policy and it was therefore impossible to meet the Maltese request.<sup>(26)</sup> The British never modified their stand in this respect.

### Claim for Further C.D.W. Funds

Initial British response to the request for further C.D.W. funds was equally discouraging. They stated that they could not increase the original £1½ million grant since the funds voted by Parliament under this Act were strictly limited and had to last until 1956. However, they expressed their willingness to relieve the Maltese Government from its obligation to spend *pari passu* for projects financed from the grant already allocated. This, they explained, was intended to lessen Malta's expenditure for the current financial year by £300,000.<sup>(27)</sup>

Borg Olivier repeated the delegation's original request for the U.K. Government to undertake the financing of the whole of the Schuster programme.<sup>(28)</sup> The British responded by offering a 'written agreement confirming' that 'Malta's claims would be sympathetically considered if and when a new' C.D.W. Act came into force in 1956.<sup>(29)</sup> Borg Olivier remained dissatisfied. He wanted a firm commitment that Malta would get the other £1½ million once a new Act was passed.<sup>(30)</sup> Reluctantly the British agreed that once a new C.D.W. Act was passed in 1956 they would

ensure that Malta [would] receive an appropriate share of those funds, having regard to her need at the time for further assistance. . .and. . .to other claims on the funds available.<sup>(31)</sup>

In a draft agreed statement Borg Olivier inserted a paragraph relating to this item. When referring to his Government's social equipment programme he described it as having

accumulated both before and during the last war . . . involving the expenditure of over £5 million but which the Maltese Government propose to restrict to £3 million<sup>(32)</sup> over a period of five years.<sup>(33)</sup>

Hopkinson promptly rejected this formula. He explained that all claims on

26. Aide-Memoire for the Maltese Delegation. C.O. 926 108.

27. *Ibid.*

28. Borg Olivier to Hopkinson, 2-7-52. C.O. 926 108.

29. Meeting with Maltese Prime Minister on 8 July. Brief for the Secretary of State. C.O. 926 108.

30. Hopkinson reminded Borg Olivier that the previous day the U.K. Government had accepted the continued need after 1956 of C.D.W. arrangements. Minute by Hopkinson regarding interview with Borg Olivier, 18-7-52. C.O. 926 108.

31. Secretary of State to Creasy, 19-7-52. C.O. 926 108. The British reluctance to agree to a set sum was based on the fear that this 'would imply a concession' to the 'entirely erroneous theory' that the Maltese had 'special rights.' Minute by A.T. Bourdillon, 23-7-52. C.O. 926 108.

32. Schuster G., *op. cit.*

33. Borg Olivier's Formula for a Draft Agreement, 25-7-52. C.O. 926 109.

C.D.W. money had to be considered side by side. He expressed disinclination to believe

that responsible opinion in Malta would expect that promises should be made to Malta at the expense of other territories.<sup>(34)</sup>

This was what, said Hopkinson, they meant 'by an appropriate share.' Borg Olivier insisted that such an interpretation should be withdrawn as it was unacceptable to the delegation.<sup>(35)</sup> He held that

"an appropriate share" should mean appropriate to Malta irrespective of claims of other territories.<sup>(36)</sup>

The British remained adamant on this point.

### **Aid for Balancing the Budget and for Emigration Conceded**

The British agreed that they ought to help with the immediate problem of balancing the 1952–53 budget. They offered a grant of £500,000 on the understanding that this did not imply any similar future commitment on their part. Their offer was subject to certain conditions.

£125,000 would be made available at once to the Maltese Government as soon as the latter agreed to appoint a Financial and Economic Advisor in conjunction with Her Majesty's Government. The appointment would be for a period of three years. This Official would advise the Maltese Government on what additional revenue could be raised, and what reduction in expenditure could be effected. Once the U.K. Government were satisfied that the Maltese Ministers were making 'a real effort in this direction' the remainder of the grant 'would be confirmed and would actually be paid out as might be most convenient.'<sup>(37)</sup>

£100,000 of the £375,000 was to be used to finance Malta's emigration programme for the current financial year; another £25,000 was to be allocated towards the recurrent cost of civil aviation.<sup>(38)</sup> If any amount of the grant remained unspent at the end of the financial year, it was to be used 'for further assistance towards the emigration programme.'<sup>(39)</sup>

This 'offer was rejected out of hand by the Maltese delegation'.<sup>(40)</sup> The suggested Financial Advisor was considered totally repugnant and seen as unwarranted interference in Malta's internal affairs.

On 23 June the British revised their offer. They dropped the proposed Financial Advisor and suggested instead the setting up of a Consultative Committee for Maltese Affairs as originally proposed by Sir Harold MacMichael.<sup>(41)</sup> This Anglo-Maltese Ministerial body would: consider 'the planning of expenditure from the

34. Hopkinson to Borg Olivier, 28–7–52. C.O. 926 109.

35. Secretary of State to Creasy, 30–7–52. C.O. 926 109.

36. *Ibid.*, 29–7–52.

37. Aide-Memoire for the Maltese Delegation. C.O. 926 108.

38. Civil Aviation was a reserved matter and thus completely under the jurisdiction of the Imperial side of the diarchy.

39. Aide Memoire for the Maltese Delegation. C.O. 926 108.

40. Background Memorandum. Financial Negotiations with Maltese Delegation. C.O. 926 108.

41. Sir Harold MacMichael was the Constitutional Commissioner sent to Malta in 1947 in order to

“Schuster” £1 ½ million and the planning of emigration’; immediately review ‘the budgetary position’ of Malta; discuss a detailed three-year emigration plan drawn up by the Maltese Government, and

H.M.G. would either cover that part of the cost of the agreed scheme which Malta was unable to find each year, or would contribute on a percentage basis.<sup>(42)</sup>

Borg Olivier politely expressed his regret that the modified proposals were still regarded as unsatisfactory. . . and would undoubtedly be unacceptable by public opinion in Malta.<sup>(43)</sup>

With regard to future budgetary aid, the offer as proposed could not be accepted since this would

mean in effect the bringing of the finances of Malta generally under United Kingdom Treasury control.<sup>(44)</sup>

In an effort to reach agreement, wrote Borg Olivier, he was willing to accept that the £500,000 grant be paid in four instalments during the current financial year and this without further discussion. £100,000 would be spent on emigration together with any residue which remained at the end of the year. He further proposed an annual grant of £200,000 for four years, starting from 1953 – 54, as a contribution towards Maltese emigration. H.M.G. was also to give consideration at future Consultative Committee meetings to the possibility of further assistance to Malta.<sup>(45)</sup>

At the following meeting held on 8 July, the British side continued to insist that ‘further discussion’ of the £500,000 was essential. They saw no problem in agreeing to meet two-thirds of a four-year emigration programme up to a maximum annual contribution of £200,000.

Borg Olivier desired something more concrete than the promise of ‘sympathetic consideration’ in regard to future financial budgetary assistance.<sup>(46)</sup> The British then promised that if after joint consultation in the Consultative Committee it was established that

Malta was in financial difficulties which could not be overcome by her own unaided efforts, then H.M.G. would be ready to approach Parliament for financial assistance.<sup>(47)</sup>

consult Maltese opinion, and later to draft Malta’s new Constitution providing for Responsible Government. He had also suggested a Consultative Committee for Maltese Affairs so as to facilitate Maltese Ministers’ access to British Ministers. The British had not been particularly keen on setting up this Consultative Committee.

42. Background Memorandum. Financial Negotiations with Maltese Delegation. C.O. 926 108.

43. Borg Olivier to Hopkinson, 2 – 7 – 52 . C.O. 926 108.

44. *Ibid.*

45. *Ibid.*

46. Minute by Hopkinson regarding interview with Borg Olivier, 18 – 7 – 52 . C.O. 926 108.

47. *Ibid.*

They made it clear that this was far as they would go.

The Maltese Prime Minister was absolutely opposed to any sort of Treasury scrutiny of the Maltese budget. He therefore decided to side-step the issue by scrupulously refraining from referring to the subject. Although he was often pressed on this matter he always refused to give an answer until the British allowed the matter to lapse.

Borg Olivier continued to insist on more clearly expressed commitments. The Treasury would not allow the Colonial Office to go further since it doubted the wisdom of expressing their readiness to help 'in a formal agreement.'<sup>(49)</sup> As far as the British side was concerned, the real problem centred on the Maltese reluctance to be satisfied 'with less than 100% of their claims.'<sup>(50)</sup> By 25 July the British would not go any further to meet the Maltese requests, but by that time a new element had emerged to complicate the situation.

### **Borg Olivier Attempts to Raise Constitutional Issues**

When on 23 June the British had decided to revise their original offer, they gratuitously proposed 'assistance to relieve the running costs of the Imperial side of the Diarchy.'<sup>(51)</sup> Although the financial element was small, the matter was of considerable political importance and involved a principle which the British had steadfastly refused to concede in 1948.<sup>(52)</sup> They hoped that by conceding it on this occasion, they would play up to Borg Olivier's obvious sense of national pride and prod him towards an agreement.

Borg Olivier's response was that the British Government should agree to make the necessary constitutional arrangements in order to take over the administrative costs of the Imperial side of the diarchy.<sup>(53)</sup> The British accepted this suggestion<sup>(54)</sup> seemingly oblivious at this stage that the Maltese Prime Minister had introduced the concept of making 'necessary constitutional arrangements.'

This encouraged Borg Olivier to set his sights on another constitutional matter – civil aviation. When he presented his suggested Draft Agreement of 25 July it included a clause in which the British Government bound itself to pay for the recurrent costs of the Imperial Maltese Government. The British pointed out that he had made no specific mention of civil aviation as something apart – a matter they had originally raised in their first offer. They immediately and correctly concluded that the Maltese Government was declining to pay for the running cost of civil aviation.

48. Minute by J.S. Bennett, 4-7-52 . C.O. 926 108.

49. Minute by J.M. Martin, 11-1-52 . C.O. 926 108.

50. Minute by J.S. Bennett, 10-7-52 . C.O. 926 108.

51. Background Memorandum. Financial Negotiations with Maltese Delegation. C.O. 926 108. This issue had been a source of friction between the U.K. and Maltese Governments. The latter had no jurisdiction over the Maltese Imperial Government and therefore deeply resented paying its recurrent cost.

52. Secretary of State to Creasy, 30-7-52 .

53. Borg Olivier to Hopkinson, 2-7-52 . C.O. 926 108.

54. Meeting with Maltese Prime Minister on 8 July. Brief for the Secretary of State. C.O. 926 108.



Sir T. Lloyd wrote to Borg Olivier on behalf of the Minister of State, emphasising that

civil aviation, for a number of compelling reasons, [had to] remain a reserved matter.<sup>(55)</sup>

He asked for written confirmation that the Maltese accepted to continue to meet its recurrent cost. Lloyd stated that they considered such a Maltese undertaking 'as an integral part of the agreement' between the two sides. In order to avoid any embarrassment to Borg Olivier on this question he offered their assurance not to make any public reference to the matter once written confirmation on the lines requested, had been received from the Maltese.<sup>(56)</sup>

Lloyd also explained that with regard to the cost of the Imperial side of the diarchy no

constitutional changes [were] necessary or contemplated in order to

make the offer effective.<sup>(57)</sup> This was further stressed by Lyttelton when he told Borg Olivier that they would make 'a contribution in the form of a grant-in-aid' to cover the expenses involved. Lyttelton also expressed surprise that the Maltese Prime Minister had chosen to raise the issue of civil aviation at that stage.<sup>(58)</sup>

Borg Olivier remained determined that once the constitutional issues had been raised they would not be dropped. In a long and tiring meeting that followed the Maltese delegation – whose 'attitude was extremely stiff'<sup>(59)</sup> – refused to modify their stand. When the possible text of a public statement was discussed, Borg Olivier

objected to any form of preamble which indicated that the document was an agreement. He would accept the money and apply it for the purposes intended, but since he had not got everything he had asked for, he could not agree'.<sup>(60)</sup>

Lyttelton stressed that he had to make a statement before Parliament rose for the summer recess and he had to announce either agreement or disagreement.<sup>(61)</sup> When Borg Olivier remained unmoving Lyttelton lost his temper.<sup>(62)</sup>

### **Borg Olivier's Stonewalling Tactics**

It is not surprising that at this point the Colonial Secretary 'told Borg Olivier that he had never met another negotiator like him in all his 59 years.'<sup>(63)</sup> The Nationalist leader had followed a strategy designed to wear down the British negotiators by refusing to yield ground while continually deprecating British efforts to reach agree-

55. T.I.K. Lloyd to Borg Olivier, 26-7-52. C.O. 926 109.

56. *Ibid.*

57. *Ibid.*

58. Hopkinson to Borg Olivier, 28-7-52. C.O. 926 109.

59. Secretary of State to Creasy, 30-7-52. C.O. 926 109.

60. *Ibid.*

61. *Ibid.*

62. J.S. Bennett to Creasy, 31-7-52. C.O. 926 109.

63. *Ibid.*

ment. Throughout his dealings with British Ministers and officials, Borg Olivier retained his polite, diplomatic manner, seemingly indifferent to the passing of time. He appeared to revel in detailed negotiation, seemingly distrustful of British intentions. In the process he often irritated the British team.

Borg Olivier's tactics suggested that he believed that the British Government was unwilling to risk the breakdown of responsible government in Malta. In this respect the Island's deteriorating financial situation strengthened, rather than weakened, his hand. If the negotiations failed as a result of what he could publicly denounce in Malta as British indifference to the Islands' needs, he would be able to rally national opinion behind him. Maltese feeling against the British was particularly acute at this time.<sup>(64)</sup>

The British wanted to avoid such an eventuality – which in the circumstances they considered as likely – but not at the cost of giving in to all of Borg Olivier's demands. Lyttelton advised Churchill:

If negotiations break down. . .there will undoubtedly be political repercussions in Malta. Feeling may run high, and the present government may be replaced by a government much more to the left. There might even be a constitutional crisis with no party prepared to form a ministry. Moreover, the delegation while still [in London] are likely to try and rouse Parliamentary and Press support in [Britain].<sup>(65)</sup>

But Lyttelton appeared prepared to pay the price since he insisted that 'it would be politically as well as financially wrong to go further.'<sup>(66)</sup>

The Colonial Office was anxious that the negotiations moved forward at a brisk pace. Therefore, while awaiting the Maltese reaction to their revised offer of the 23 June, the British decided to attempt to lessen the possibility of further delay. Since they considered that Borg Olivier was 'too much given to negotiating by correspondence'<sup>(67)</sup> they thought it was 'very desirable to head him off' from presenting 'another big memorandum. . .with a set of new proposals.'<sup>(68)</sup> Hopkinson decided to write what was ostensibly 'a private and personal letter' to the Maltese Prime Minister<sup>(69)</sup> outlining the advantages of accepting the British offer.

Hopkinson stressed that they had 'gone to [their] utmost limit' and that their offer had been endorsed by Churchill. He underlined the advantages of Maltese Ministers having 'a permanent, regular and assured access to Ministers' in Britain. The offer to 'underwrite an agreed emigration programme' was a 'new and most valuable form of aid.' The relieving of Malta's costs in the running of the Imperial side of the diarchy was 'an important political gain.' Hopkinson even went so far as to assure the Maltese leader that

64. An industrial dispute between the General Workers Union – Malta's largest union – and the Services Departments had escalated into a national issue. For a detailed treatment of the subject see, Pirota J.M., *Industrial Relations Between Trade Unions and Political Parties in the Immediate Post-War Years*, Malta, 1985 .

65. Lyttelton to Churchill, 24-6-52 . C.O. 926 108.

66. *Ibid.*

67. J.S. Bennett to Creasy, 2-7-52 . C.O. 926 108.

68. *Ibid.*

69. *Ibid.*

if you are in difficulties, you have our implicit commitment to stand behind Malta in the event of need. That obligation is one which H.M.G. would scrupulously honour when at any time the need is proved to exist.<sup>(70)</sup>

Borg Olivier's response badly disappointed Hopkinson. Following another long meeting with both the Secretary and the Minister of State, the Maltese delegation

did not yield an inch and were particularly anxious to secure some more substantial promises about future aid. . . The discussion was inconclusive.<sup>(71)</sup>

Deeply anxious to make progress, the Colonial Office obtained Treasury clearance<sup>(72)</sup> of a prepared agreed statement which was submitted to the Maltese delegation. The statement set out the details of what the British understood to have already been hammered out in the previous weeks. Hopkinson tried hard to convince Borg Olivier to accept the agreement before Parliament rose at the end of July.<sup>(73)</sup>

Borg Olivier replied on 31 July. He informed Lyttelton that his delegation was deeply disappointed that the British Government had declined to meet them further. He laid 'particular stress' on the fact that the Maltese delegation had not been 'prepared to discuss' civil aviation, which was not included in the memorandum which they had been asked to submit beforehand. Notwithstanding this, said Borg Olivier, he was ready to accept £475,000 as grant, and leave the £25,000 cost of the recurrent expenses for civil aviation to be 'considered administratively by the two governments' at a later date.<sup>(74)</sup>

#### **Attempt to Force Borg Olivier's Hand Unsuccessful**

Lyttelton was deeply angered by Borg Olivier who seemed 'never to give up.'<sup>(75)</sup> It was commonly held at the Colonial Office that the Prime Minister had

been the spokesman for the intransigent line throughout. . . and that [Frendo] Azzopardi wanted to be more reasonable,<sup>(76)</sup>

while Boffa had been 'a negligible factor in the discussions.'<sup>(77)</sup> This assessment caused Borg Olivier to lose all sympathy at the Colonial Office.

Before Parliament rose Lyttelton informed the House of the details of the British offer to Malta, without making any reference to civil aviation. He informed the Commons that the Maltese had refused the offer.<sup>(78)</sup>

Within a few hours Borg Olivier issued a Press Statement denying that he had rejected the British offer, although he admitted that nothing had been signed.<sup>(79)</sup>

70. Hopkinson to Borg Olivier, 1-7-52 . C.O. 926 108.

71. J.S. Bennett to Creasy, 9-7-52 . C.O. 926 108.

72. Draft Agreed Statement. Malta's Financial Position. C.O. 926 108.

73. Hopkinson to Borg Olivier, 17-7-52 . C.O. 926 108.

74. Borg Olivier to Lyttelton, 31-7-52 . C.O. 926 109.

75. J.S. Bennett to Creasy, 31-7-52 . C.O. 926 109.

76. *Ibid.*, 1-8-52 .

77. *Ibid.*

78. *Times of Malta*, 2-8-52 .

79. *Ibid.*

Before leaving London on 10 August, the Maltese Prime Minister formally accepted the terms regulating the financial aid . . . offered to Malta as set out in the statement . . . circulated in the Official Report to the House of Commons on 1 August, 1952.<sup>(80)</sup>

When the British government signalled its readiness to pass on the first part of the £500,000, it reminded Borg Olivier of the provisions regarding civil aviation. He at once replied that he had only accepted the offer as outlined in the House of Commons where no mention of civil aviation had been made. His objection in this regard, repeated Borg Olivier, remained unchanged though he was willing to accept £475,000.<sup>(81)</sup>

With Malta's financial situation deteriorating alarmingly, and feeling certain that 'short of climbing down' they were not going to secure an 'agreement from this Prime Minister',<sup>(82)</sup> the Colonial Office decided to take advantage of the situation. They proposed to make '£250,000 available [to Malta] without further ado.'<sup>(83)</sup> It was thought that

Borg Olivier would not be displeased at being presented with a *fait accompli* which he could criticize.<sup>(84)</sup>

This would 'force Dr Olivier's hand'<sup>(85)</sup> especially if they instructed the Governor to simultaneously appropriate, 'without any discussion with the Maltese',<sup>(86)</sup> the £25,000 for civil aviation from the Consolidated Revenue Fund. Lyttelton agreed and issued the necessary instruction. Quite unruffled, Borg Olivier immediately informed the Crown Agents to return the money and accused the Governor of acting unconstitutionally.<sup>(87)</sup> The Nationalist leader continued to insist that the civil aviation question was a constitutional issue and had to be treated separately. The Governor's instructions to appropriate the £25,000 were withdrawn.

Informed that Borg Olivier had his Cabinet's total backing,<sup>(88)</sup> Lyttelton gave way. He proposed the immediate payment of £250,000 to Malta, followed by separate discussions on civil aviation, conditional to agreement being reached by 31 March 1953. Otherwise appropriation would be resorted to.<sup>(90)</sup>

Borg Olivier welcomed the recognition of 'the constitutional issue involved in the question of appropriation for civil aviation,' but objected to rendering the financial aid subject to 'an understanding related to the eventual outcome' of negotiations

80. Borg Olivier to Lyttelton, 10-8-52 . C.O. 926 109.

81. Creasy to Lyttelton, 15-8-52 enclosing a letter from Borg Olivier to Creasy. C.O. 926 109.

82. Minute by Morrison, 16-8-52 . C.O. 926 109.

83. *Ibid.*

84. Minute by J.S. Bennett, 18-8-52 . C.O. 926 109.

85. Minute by T.I.K. Lloyd, 19-8-52 . C.O. 926 109.

86. *Ibid.*

87. Lyttelton to Creasy, 20-8-52 . C.O. 926 109.

88. Creasy to Lyttelton, 10-9-52 , enclosing a letter from Borg Olivier to Creasy (8-9-52). C.O. 926 109.

89. Note prepared by Cox for the Secretary of State (26-8-52). C.O. 926 109.

90. Lyttelton to Creasy, 28-8-52 . C.O. 926 109.

concerning constitutional issues. He added, that therefore, in spite of 'their desire for a settlement' and of their needs being 'great and urgent', the Maltese Government found it impossible to accept the proposal.<sup>(91)</sup>

Lyttelton answered that he was

now willing to agree that the financial assistance. . . should amount to £475,000, leaving aside entirely the question of civil aviation.<sup>(92)</sup>

He was also 'ready to discuss the constitutional issue at any time' although

H.M.G. remained convinced that such civil aviation expenditure of Malta should not in future be borne fully by the Ministry of Civil Aviation.<sup>(93)</sup>

Borg Olivier attempted to minimize the rigidity of the last quoted statement. He claimed that the Secretary of State appeared disposed 'to pre-judge the issue' in dispute, and asked to be further re-assured before accepting the proposal.<sup>(94)</sup> Lyttelton refused to concede further ground and Borg Olivier finally accepted the British offer in order not to 'inflict on the Maltese people a most grievous and undeserved hardship.' He protested that the British aid was 'inadequate. . . [even] to overcome immediate difficulties' and requested an 'impartial investigation' in terms of paragraph 73 of the Schuster Report.<sup>(95)</sup>

### An Evaluation

Borg Olivier's tactics were definitely annoying, but were largely effective in subduing the overwhelmingly superior negotiating position of the British Government. His strategy exposed him to British acrimony, but this did not seem to worry him. Neither did the fact that the length of time taken over the negotiations in London – though necessary to the success of his tactics – rendered him an easy prey to his political opponents in Malta.<sup>(96)</sup>

91. Creasy to Lyttelton, 10-9-52, enclosing letter from Borg Olivier to Creasy (8-9-52). C.O. 926 109.

92. Lyttelton to Creasy, 17-9-52. C.O. 926 109.

93. *Ibid.*

94. Creasy to Lyttelton, 21-9-52. C.O. 926 109.

95. Borg Olivier to Creasy, 16-10-52. C.O. 926 110. Paragraph 73 of the Schuster Report says *inter alia*: 'There is a second well known distinctive characteristic of the Malta position. . . viz: the extent to which facilities in Malta are required for its own purposes by the British Government as a station in peace for the Navy and other armed forces and as a base for operations in war. . . in some representations made to me in Malta, this condition has been put forward as justifying a claim for financial aid. The question in fact has been raised whether the British Government is making sufficient payment for the facilities which it is using – judging sufficiency either to the value of the facilities to the British Government or according to the effect that their use has on the Maltese economy. . . It may be. . . a question which in due course may legitimately be made the subject of an impartial investigation.' Schuster G., *op.cit.*, pp. XXI-XXII.

96. See Pirota, J.M., *Fortress Colony. . . 1945-1964, op.cit.*

However, if one keeps in mind that at the outset of the talks the Colonial Office was certain that Malta would obtain no benefit, then Borg Olivier must be judged to have done quite well. He secured financial aid totalling £1,300,000 on top of the original C.D.W. grant of £1,500,000. He also wrested three concessions of considerable political importance.

The British agreed to provide further aid according to Malta's needs – a clear departure from H.M.G.'s previously rigidly held attitude that Malta's finances were the sole responsibility of Maltese Ministers. Britain had accepted to assume financial responsibility for the running of the Maltese Imperial Government. But perhaps most important of all, they had agreed to consider constitutional changes. The latter decision was the first step towards the series of talks and conferences held from 1955 onwards, which were, in twelve years time, to result in Malta becoming an independent State.