

✓ Sitting No. 20/62.

Cabinet Meeting held at the Ambage d'Aragon, Valletta, on Saturday, 22<sup>nd</sup> December, 1962, at 10.30 am.

Present: The Hon. Prime Minister and Minister of Economic Planning and Finance.

The Hon. Minister of Industrial Development and Commerce.

The Hon. Minister of Education.

The Hon. Minister of Agriculture,

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 Meeting No. 19/62 were read and confirmed.

New Power/Water Station (Memo. No. 5A).

The Malta Delegation comprising Mr. A. Salasone, Financial Secretary, Dr. M. Amato Curran, Deputy Attorney General, Mr. A. Dorth, Under-Secretary, and Mr. A. Telford, Director Water & Electricity Dept., were in attendance.

Ministers led before them a memorandum on the negotiations which

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had been carried out by the Maltese Delegation with the International Bank for Reconstruction and Development for a loan to finance the Power/Water Distillation project. Annexed to the Memorandum were the draft Legislation as amended as a result of the negotiations, the draft Loan Agreements similar to those entered into with other countries receiving a loan from the World Bank, a copy of "side letters" which it was customary for the Bank to exchange with the borrower, and a plan of operation of the steps to be taken by each of the two parties and the approximate timing of each action.

The Malta Delegation furnished further details regarding the provisional agreements reached by them with the World Bank.

The Hon. Prime Minister informed the Cabinet that he had reasons to believe there were other sources from which the required loan could be obtained on terms more favourable than those offered by the World Bank — the United States Government and the Italian Government were mentioned.

The Cabinet agreed that these possibilities should be explored before the Malta Government committed itself with the World Bank, and decided that Dr. V. Regones should in the first instance proceed forthwith to Italy to establish the necessary contacts.

Confirmation of written opinion.

The file mentioned hereunder was circulated to Hon. Ministers whose written decision was as follows:—

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H.E. the Governor was advised to approve the grant to Perfekta Industries of

- a) Income tax relief on all production of toilet paper for a period of ten years; and
- b) Exemption from Customs duty on machinery and equipment for a period of three years.

*Ashley Davies*

26. 12. 62

Prime Minister.

*Secretary to Cabinet*  
28. 12. 62