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Country Profile

# Malta

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NATIONAL INTELLIGENCE SURVEY

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# Malta

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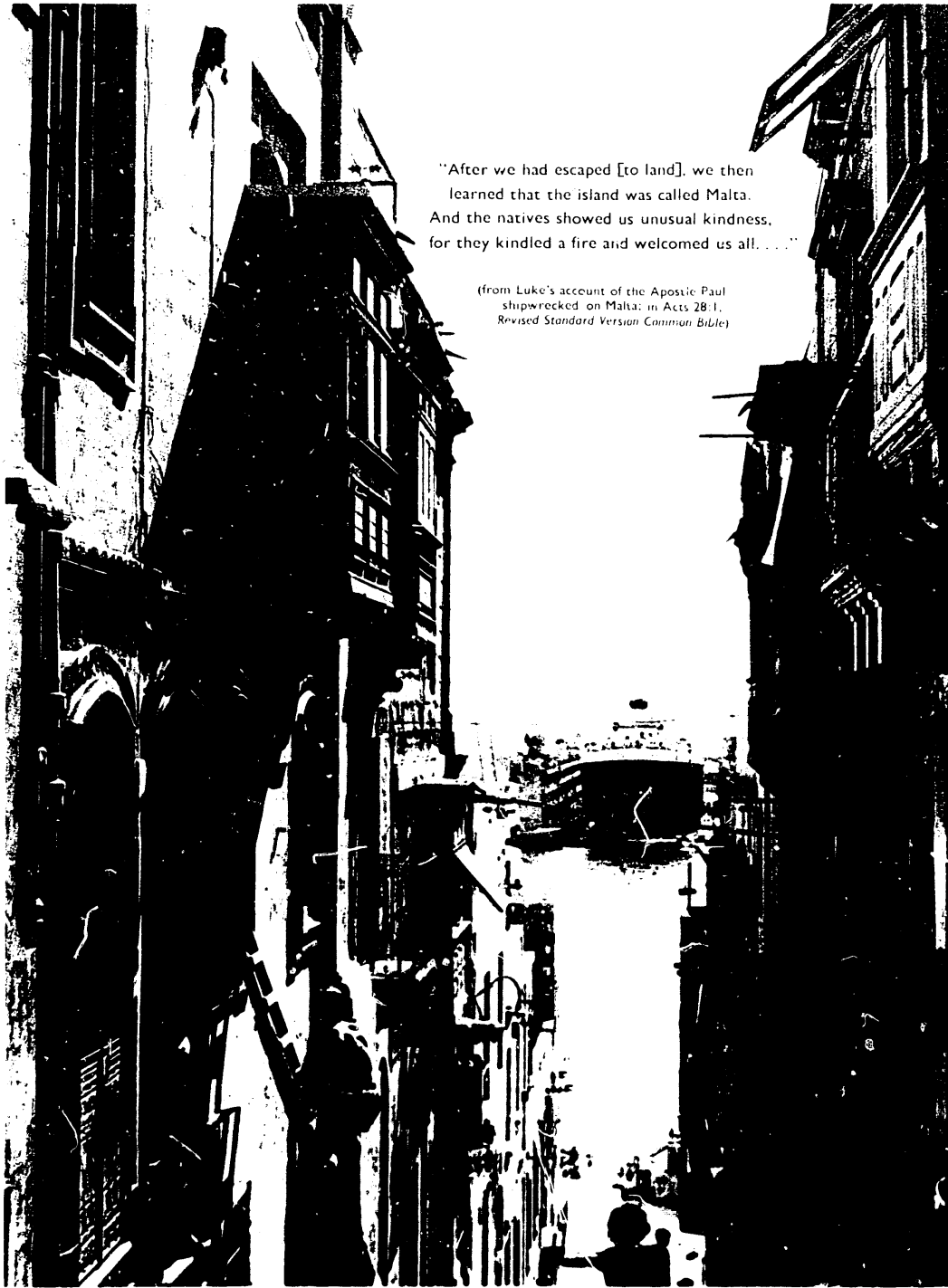
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*This Country Profile was prepared for the NIS by the Central Intelligence Agency. Research was substantially completed by April 1973.*

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"After we had escaped [to land], we then  
learned that the island was called Malta.  
And the natives showed us unusual kindness,  
for they kindled a fire and welcomed us all. . . ."

(from Luke's account of the Apostle Paul  
shipwrecked on Malta; in Acts 28:1,  
*Revised Standard Version Common Bible*)

## The Dilemma of Independence (c)

Since Malta became an independent member of the British Commonwealth and of the United Nations in 1964, its people have clearly established their national identity and their ability to rule themselves. Thanks to their long, close association with central and western Europe from the time of the Crusades, the Maltese are comparatively well educated and sophisticated. In other respects, however, they face in acute form a dilemma familiar to other small emerging nations today: can their tiny state be both fully independent and economically viable? In trying to shake off the remaining vestiges of foreign control, they risk rupturing vital pipelines of revenue from the West—principally the rental payments for the British military bases—without which their shoestring economy may falter.

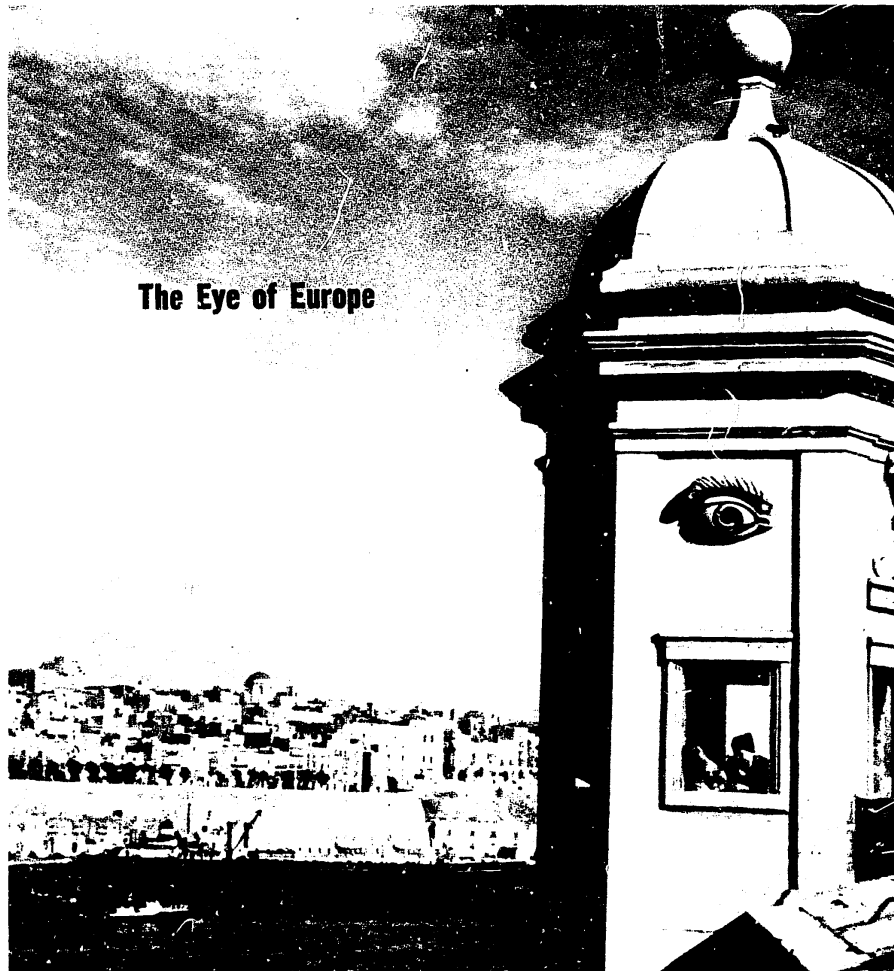
Three small islands, totaling only 121 square miles and almost completely without natural resources, provide a poor base for an independent economy, even though throughout history they have sufficed to accommodate sizable garrisons and served—as recently as 1956—as staging areas for major overseas expeditionary forces. The Maltese Islands have been important hitherto only because their strategic location and coastal configuration have attracted practically every power which has ever contended for control of the Mediterranean Sea. In consequence, the local inhabitants were rarely if ever given a chance to establish their own state. Conversely, the external resources of Malta's foreign rulers served to maintain—and almost invariably increase—the local population.

Independence for the islanders became possible only when Malta's strategic value declined in the eyes of its

rulers. After World War II, and particularly after the Suez fiasco in 1956, the British had come to feel that both the development of modern weapons and the liquidation of their own empire had sharply reduced the value of Malta to them. Today, in the eyes of the NATO powers, Malta's strategic value is largely negative: to deny its territory and waters to any major power hostile to the interests of the Western allies. In centuries past, Russian Tsars had shown an interest in the islands, and it is always possible that their successors might be similarly inclined.

In seeking alternate sources of support to free itself from dependence on the West, Malta, under its present dynamic Prime Minister, has looked to the Communist powers and to the third world, especially Arab neighbors to the south. Prime Minister Dominic Min-toff has already proved himself as a molder of history. He professes to wish to make Malta an independent neutral; his efforts could result in moving Malta out of the European orbit for the first time in nearly 900 years.

In any case, if Malta moves ahead toward exchanging its role of subsidized fortress for independent neutral, the question remains: what will replace the subsidies and perquisites accompanying the British presence which have supported the economy so long? The combined efforts of the British and the Maltese have been brought to bear on this question, and, while remarkable economic progress has occurred since 1965, the standard of living of the Maltese would certainly deteriorate without continued Western support for the economy.



## The Eye of Europe

Geography makes Malta. Its mid-Mediterranean location, in combination with sheltered waters, superb harbors, and readily fortified terrain, has brought men to its rocky shores from before the dawn of history. The Maltese Islands, remnants of a prehistoric land bridge linking Europe and Africa and now part of the ridge which divides the Mediterranean into its two major basins, east and west, have often served as steppingstones below Sicily and the Italian boot for

movements to and from North Africa. Moreover, Malta lies at the intersection of this older, north-south route with the east-west seacane running the length of the Mediterranean. Ever since the first seagoing civilization appeared in the Mediterranean, Malta's location at midpassage from the Atlantic to the Aegean, Black, and Red Seas, and dominating the narrows between Sicily and North Africa, has lured the mariner, whether his mission be commercial, colonial,



or martial. Homer and later poets have seen Malta as the "navel of the sea" set in the Mediterranean's narrow waist.

The trader and merchant, however, like artist and adventurer, have been strictly subordinated to the builder and defender of empire throughout most of the two millennia of Malta's recorded history. The island's crossroads position has given it paramount value as a military outpost and naval base for any imperial power. The British were the last of many rulers to find Malta a vital link in the chain of empire just halfway from Gibraltar to Cyprus or Suez en route to the Far East.

With Malta but a pawn or prize of battle in the eternal struggle for empire, the wishes or well-being of its indigenous inhabitants was seldom considered. The islanders were never long free to determine their own fate until today, except perhaps at the very dawn of their history. The earliest historical presence in the archipelago was that of the seafaring Phoenicians, the great traders of antiquity, but they had been preceded many centuries earlier by prehistoric people known only through archaeology. Splendid remains of megalithic tomb temples are so elaborate and extensive that historians imagine Malta to have been at least the religious center of a seaborne culture that stretched around the Mediterranean and out along the Atlantic coasts of Europe and North Africa. Stonehenge suggests that these mysterious people pioneered the seaway to Britain which the Phoenicians followed later.

Whatever role Malta may have played in the diffusion of neolithic culture to southern and western Europe, evidence indicates that it was hardly more than a colony or way station of the Phoenicians when they introduced civilization to the western Mediterranean. What precisely the Phoenicians' stay in Malta amounted to is still in dispute; they are often credited with establishing the Semitic character of the Maltese language, although this was at least in part a result of a later Arab domination of more than two centuries duration.

The Semitic influence on Malta was intensified in some degree under Carthage, a sister Phoenician colony which went on to build its own commercial empire in the western Mediterranean, including Malta as one of its outposts. Nearly three centuries later, Rome challenged Carthage for control of the Mediterranean and conquered Malta in the Second Punic War. Roman rule was apparently beneficent and brought with it a different kind of conquest, the only permanent one in Malta's long history; the conversion to Christianity, traditionally attributed to St. Paul when shipwrecked on Malta. Conversion was complete, and

the Maltese have clung to their strong Roman Catholic belief ever since, with few if any lapses under subsequent Byzantine, Muslim, and Anglican rulers.

The Muslims, in fact, were the first of a succession of foreign rulers under whom the Roman Catholic Church won an unusually great role in the political as well as the social life of the islands. When the Arabs seized Malta from the declining Greek heirs of the old Roman Empire in 870, they tolerated Christianity in return for tribute from the population. The Maltese turned to their clergy for leadership, and the clerics gradually became a kind of secondary ruling class parallel with the foreign civil administration and representing the Maltese population. After the islands were recovered for Europe, the situation continued; canon law was the law of the land and the Bishop's Court the only judiciary.

Europe's southernmost outpost was permanently recovered for the West by the freebooting Normans less than a quarter century after their kinsmen won another—much greater— island, England.

For just short of five and a half centuries after this other Norman conquest, Malta was passed around among the leading feudal lords of Europe, farmed out as a fief, and at least once even pawned to an aristocratic tax farmer. Its international ties, however, eventually encouraged economic development. Under Aragon, Malta participated in an early "common market" in the Mediterranean. For the most part its rulers were based on the Italian or Iberian peninsulas, and one element of continuity throughout much of this long era lay in the fact that Malta was commonly administered in conjunction with Sicily, and ultimately in the name of the Holy Roman Emperor.

Emperor Charles V, who had inherited a western Mediterranean empire as Charles I of Spain, finally terminated this era of Sicilian dynasties by bestowing Malta and the North African citadel of Tripoli upon the knightly Order of the Hospital of St. John of Jerusalem, subsequently known as the Knights of Malta. In return for the fiefdom of Malta, the Knights were annually to proffer a falcon. The crusading order had forged an amphibious fighting machine, adding naval power to its cavalry after it was forced out of the Holy Land, but the Ottoman Turks under Sultan Suleiman the Magnificent finally overwhelmed its stronghold on the island of Rhodes, and the Knights were without a naval base on the Mediterranean. As part of the growing European defense against the Muslim onslaught, the Emperor commissioned them to carry on their crusade against the Turks as well as to suppress piracy from their new base in Malta. The order concentrated on its European mission against the advancing Turks and on repelling the local raids of

their cohorts, the Muslim corsairs. In 1551 the latter were repelled by the Knights' cavalry on the main island of Malta, but these Arab pirates ravaged the smaller island of Gozo unchecked, and later took Tripoli for the Sultan. Then all the forces of the Ottoman Empire launched a full scale attack against Malta with an armada of 138 galleys and 40,000 men in 1565. The Knights successfully withstood the withering 4-month Great Siege of Malta—the high point of Malta's defense of Europe, repeated only at an even more critical turning point of world history during the Axis Powers' siege in 1942.

The challenge and trauma of the 16th century siege launched the Knights on a massive building program, which continued for most of the 200 years they remained in control. Drawing upon the income of their European estates—and on the largesse of a grateful Christendom—they built and elaborately fortified a new capital, Valletta, along with a series of forts, castles, and watchtowers against another Saracen siege. It was something of a Maginot line concept, but the Turks did not mount another major attack. The main bastions in their defense system can still be seen, most magnificent examples of renaissance fortification.

As the Turkish threat receded, the Knights engaged evermore in trade, often supplemented by what in practice amounted to piracy. With increased wealth came the decay of discipline and morale, along with the respect of their subjects. Except on rare occasions of great danger as in 1565, no common bonds linked ruler and ruled. Control by a foreign military monastic order, which never identified with the Maltese but was preoccupied with its own international interests, established a cleavage between the garrison and its hangers-on on one side and the mass of the population on the other. Revolts by the Maltese began early in the 18th century, often with foreign aid, which brought success by 1800.

The decline of the order had been apparent to the European powers, whose interest in Malta's strategic worth began to revive. In the French Revolution the order lost its most profitable European estates, the basic source, besides trade and loot, of the Knights' wealth. Thus weakened, Valletta fell without a struggle to Napoleon's strategy in 1798, when he sought Grand Harbour for his armada on the Egyptian expedition. When the German Grand Master of the Order was ignominiously expelled by Napoleon, the Russian Knights rebelled and proclaimed the Russian Tsar Paul I Grand Master. Though abortive, this was an interesting example of abiding Russian interest in Malta as a Mediterranean base, which began with Peter the Great in the 17th century.

French control of Malta, threatening domination of the whole Mediterranean, gave the British a more urgent incentive for intervention. They readily acquiesced in a request by Maltese insurgents for aid against the French. After a 2-year siege of Valletta, the French surrendered, leaving the British in control and prompting Napoleon's remark that he preferred to have them on the heights of Montmartre than ensconced in Malta. The Maltese subsequently petitioned to be taken under British protection and were seconded by Lord Nelson, who pointed out the islands' value as a naval base. British sovereignty was confirmed internationally in 1814 and continued for just a century and a half.

*We hold it as an important post, as a great military and naval arsenal, and as nothing more. (Duke of Wellington, in the House of Lords, 1838.)*

From neolithic times to the present, and clearly since Malta was first integrated into Europe under ancient Rome, through the centuries of struggle between Christian and Muslim powers, through the Renaissance, the French Revolution and both world wars, little Malta has felt the impact of every tidal wave in western history. Today it stands again, a magnet and nerve center, and vidding to become once more a halfway house between Occident and Orient.



## Molding a Nation

The people of Malta, now citizens of the latest European dependency to attain nationhood, exhibit all the sensitivities of a newly emerging nation of the third world. This is true despite their long history of intimate involvement in the affairs of Europe. In fact, this close association, though founded on a common

European tradition of supranational support for Christendom, inevitably bred friction and dislike, and by the late 19th century brought to this southernmost outpost a miniature reproduction of the nationality conflicts which had developed in the mainland to the north. Malta's foreign rulers were always concerned

primarily with their European responsibilities and ambitions, and either ignored the wishes and interests of the Maltese or dealt with them indirectly and in a desultory way. There was precious little contact between rulers and ruled. Foreign rulers had worn out the welcome traditionally accorded to such castaways as Odysseus and St. Paul by the hospitable Maltese.

This history had produced two distinct and very different societies in tiny Malta: a foreign community with all its hangers-on, still largely concentrated in the capital, Valletta, and its environs, and the native Maltese, who dominate the countryside. Among the former are the old aristocracy of the medieval capital, Mdina, inheritors of the tradition of an Italian orientation for Malta. The two communities, as still separated in speech, for centuries Maltese survived mostly in the countryside, with Italian, and more recently, English predominant in the towns. Despite the predominance of the foreign minority over such long periods, the Maltese managed to preserve their distinct individuality. Aside from the foreign garrison and governing class, immigration into Malta was conditioned upon special skills needed for defense, and the Maltese managed to fill the vast majority of jobs. On these small islands there was no room for permanent settlement by any considerable community of outsiders, and the Maltese majority had little reason to modify its traditional ways, developed and preserved over the centuries in the islands' isolation.

Additionally, the Maltese often felt compelled to assert their identity in reaction to the constant imposition of foreign rule, as they did when the Knights of St. John first arrived, after the French tried to replace them, and then when the powers thought of restoring them. At that last juncture, the Maltese clearly specified that they were accepting British rule by their own free will, finding it better by far than the return of the order or the French. On the other hand, when faced with an overwhelming threat to their existence, the Maltese have united enthusiastically behind their alien leaders in courageous defense of their islands, as against the Turks in the 16th century and the Italo-German Axis in this century.

Religious faith played a vital part in preserving the distinct identity of the Maltese. Historians speculate that religious feeling has always run deep among the islanders, even in prehistoric times, because of the isolation and insecurity of their habitat. In any case, ever since the 9th century the Roman Catholic faith has helped to hold the islanders together. The Roman Church played somewhat the same role here that it did in larger nations like Ireland and Poland in protecting and fostering the national cause. In addition, it has continued to dominate society to a degree possibly not

found in any other secular state today. Through the parish priest, the church still provides almost all the local government on the islands; canon law prevails in most family matters. Popular culture is chiefly focused on religious festivals, which are major social events. Social welfare is primarily the responsibility of the church. Through its organizations and the ministrations of the clergy, the problems of the poor, the aged, and the young are alleviated. The tradition of obedience and docility fostered by the church has minimized crime. Finally, the special relationship between the Maltese church and the Vatican has tended to set the people of Malta apart from Catholics elsewhere and to emphasize their oneness.

In recent times, however, as its political power has been challenged and somewhat eroded, the church has lost its place as the primary protector of the Maltese people. Latter-day nationalists charged that the church lagged behind the times and detracted from the dynamism required by what was essentially a revolutionary movement. It was felt that the paternalism and autocratic tendencies of the hierarchy—along with the domination of foreign powers—had helped to develop a widely noted dependency and lack of initiative on the part of the average man that was hardly conducive to the growth of an independent national spirit.

Modern nationalism actually first appeared on Malta as a vicarious form of *Italia incognita*, an enthusiasm for "Young Italy" and the *Risorgimento*—the national movement which was uniting the neighboring peninsula right in front of Maltese eyes. It was naturally espoused by many pro-Italian elements in the upper and middle classes, although the church hierarchy was chary of the Italian movement's anticlericalism. The British had allowed several leaders of the *Risorgimento* to seek sanctuary on Malta, but the D'Aliphanes in Malta subsequently blamed the British for not permitting Malta to join in the unification of Italy.

As the pro-Italian party became obstreperous, the British, in an ingenious application of the principle of "divide and rule" began to encourage cultivation of Malta's Punic heritage from ancient Carthage, apparently manifest in the Semitic character of the language of the rural majority. Ultimately this tactic was far more successful than a similar appeal by the French to the Berbers of North Africa, and probably more successful than the British originally intended in view of Prime Minister Mintoff's frequent tweaking of the Imperial Lion's tail today. Immediately, however, the British drive to replace Italian with Maltese as an official language (along with English) took on some of

the aspects of a social revolution, inasmuch as the use of Italian was both a class and cultural issue.

Nevertheless, events conspired to favor the rapid triumph of Maltese. World War II brought with it another traumatic but common effort by all the islands' inhabitants, with town and country dwellers jointly sharing the suffering brought by bombers based on a new heartily detested Fascist Italy. Similarly, postwar economic development, particularly the industrialization and conurbation which followed independence in 1964, further reduced the old geographic and class distinctions. The advantages of a common education in Maltese, made official in 1932, became increasingly apparent.

In addition to encouraging the development of a literature in Maltese, the British gave their blessing to the study of local archaeology and history, along with indigenous styles of self-expression in the arts. All of this served to quicken the spirit of Maltese nationalism.

Quite without premeditation, the United Kingdom's unusual tactic of fostering an indigenous nationalism in its colony sowed the seed of independence. Yet there was remarkable hesitation before the Maltese finally undertook to pluck the fruit, indicating the realization by all sides of the problems posed by independence. There appeared to be attractive alternatives. World War II had deepened Maltese Anglophilia. The conservative Nationalist Party, having largely given up its Italian orientation, was more truly nationalistic and representative of the strong local patriotism which had matured during the war, but wished Malta to remain under some form of British suzerainty. The other major party, the Malta Labor Party, which first came to power right after the war and had been strongly nationalist from its origins, also hesitated to break with the United Kingdom, primarily because the livelihood of many of its supporters—the dockyard workers in particular—depended directly upon the continuation of the British base. Nevertheless, in the postwar climate of opinion, all Maltese were anxious to shed any relationship which might carry the stigma of an anachronistic colonialism.

To solve this dilemma the MLP's Dominic Mintoff, when first made Prime Minister in 1955, advanced a remarkable proposal to "integrate" Malta into the United Kingdom, with representation at Westminster and greater autonomy for Valletta. London concurred, and both sides came to a tentative agreement, only to back away when trouble arose over financial arrangements, and the Catholic Church, fearing that its position and privileges might be submerged in a Protestant realm, marshaled its full powers against the

scheme. The bitterness and mutual suspicion between the Catholic hierarchy and the anticlerical Mintoff long delayed a settlement of the constitutional question.

Largely because of this hostility, the Maltese people never managed to record an unmistakable mandate for independence. Both a 1956 referendum for Mintoff's scheme for "integration" and a 1964 referendum on the constitution providing for independence passed, but neither received the support of a majority of the total electorate. Mintoff, who resigned in 1958 when the British did not meet his economic demands, had rapidly swung around to demand immediate and complete independence from the United Kingdom. He opposed the constitution, not because it envisaged independence, but because it seemed to him to enshrine the political power of the Catholic Church, even after the British and the Vatican secured some concessions from the local hierarchy.

In September 1964 Malta finally became an independent member of the British Commonwealth under the revised Constitution, but Mintoff, in opposition and, after June 1971, as Prime Minister again, held to his adamant stand against the remaining restrictions on Malta's sovereignty. He succeeded in significantly reducing British control over key aspects of Malta's foreign policy in an agreement of March 1972, reached only after protracted and often tense negotiations, frequently punctuated by Mintoff's histrionics and pressure tactics. Although this agreement was to run for 7½ years, Mintoff reopened the subject in late 1972 and once again threatened to end British base rights on Malta.

Mintoff's tactics and behavior, while they have at times seemed to surprise and exasperate the British, appear to be characteristic of a nationalist, anticolonial leader, more familiar in areas less close to the mainstream of European experience. For one thing, local politics and burgeoning Maltese nationalism have made such a stance popular. Even Mintoff's predecessor, the Nationalist Party's Prime Minister, was prepared to denounce the defense agreement with the United Kingdom, despite his party's generally pro-British stand. Moreover, both Prime Ministers have reflected their islands' feudal heritage and lack of political experience in their unwillingness to delegate authority and consequent resort to one-man rule.

Mintoff, however, is much more of an indigenous nationalist and has, consciously or otherwise, developed a style very similar to that of anticolonialists of the third world. In fact, he talks of reorienting Malta toward that world, particularly toward the south and east, along the lines of its pre-Christian Punic heritage—in nearby North Africa and in the Le-

vant. The British may now regret opening that Pandora's box: whereas they used the concept as a local convenience, Mintoff can now exploit it not only in domestic affairs, but also abroad, occasionally against the British and the West more generally. He has, for example, made use of it in seeking financial and diplomatic support from the Arab nationalist regime in Libya. While pro-Arab sympathies are not particularly evident among the Maltese, and Mintoff's own pan-Semitic approach includes Israel, there is perhaps an elemental residue of anti-European resentment still present in Malta which can fuel local nationalism.

In any case, the Prime Minister displays an emotional sensitivity and petulance which may well spring from Maltese feelings of resentment arising from their centuries of subordination to foreign rulers. The son of a cook in the Royal Navy, Mintoff plays up for his compatriot: anything he considers arrogant or patronizing on the part of British "oppressors and exploiters." He has sometimes spurned grant aid for Malta as "charity" and has readily risked the loss of

significant, even vital economic arrangements on the suspicion of a slight to Maltese pride. Part of his approach is of course the product of his personality, but he has also found it politically advantageous to be thinkskinned and to carry a chip on his shoulders in public. His flamboyant displays of "brinkmanship" have apparently appealed to Maltese national sentiment, especially as he has also succeeded in wringing remarkable concessions from foreign governments.

Mintoff is not only emotionally involved in eliminating the last vestiges of colonialism, but he has a positive goal beyond: giving his people a sense of identity and purpose which may enable them to stand quite alone as an independent nation. In calling on all citizens to sacrifice, he enunciates the same sort of revolutionary appeal that has been heard in all new nations, and that is echoing today throughout the third world. Perhaps he sees himself as a sort of 20th century Odysseus sailing his tiny, fragile ship of state safely past Scylla and Charybdis to a safe haven at home with Calypso.

## The Question of Viability

Independence became possible in the diplomatic and political context as Malta's strategic significance declined, but could the islands survive without benefit of subsidy and the service establishment which went therewith? Malta is still struggling to make the transition from a garrison state, whose sole asset was its strategic location, to an independent country with a viable, diversified economy. The outcome is not yet clear; despite the desire of its leader to uproot the concept of "fortress Malta" and make the islands a neutral, flourishing entrepot between East and West, the developed and the developing, he still finds it necessary to take the Queen's shilling and NATO subsidies to boot. The Western allies remain willing to subsidize Malta because of its strategic potential, while local resources for a viable economy are still developing at an insufficient rate.

There are a number of factors which retard the growth of a diversified economy. Deeply ingrained attitudes are part of the problem. For more than four hundred years Malta depended primarily upon the external resources of its foreign rulers and the employment they provided the local population. Aside from a limited agriculture and dwindling crafts, the service industries provided practically the only employment the Maltese knew, and they were psychologically unprepared to undertake any other. Long after British rule had replaced the paternal sway of the Knights, there were few opportunities to develop the skills needed for a more balanced economy. Malta's small middle class was made up of professionals providing services for the garrison establishment, and there was almost no entrepreneurial class with the initiative to exploit Malta's ready access to the whole Mediterra-

near littoral. Capital was typically put into savings or property rather than into commercial ventures or production.

Right up to independence Malta's political situation distracted both rulers and ruled from probing the possibilities for alternate economic courses. The emotional involvement of the Maltese in national movements, Italian and native, absorbed energies that otherwise might have developed economic outlets. Moreover, the Maltese were naturally discouraged from venturing on new paths under the British dyarchy, where responsibility was divided, and final authority lay as ever in foreign hands.

While Malta's location and sheltering coasts have made its fortune, nature has not otherwise been generous to the archipelago. The abundant limestone rock is its sole natural resource. It dominates the landscape, often with picturesque effect, and in fortification and construction, but supports very little soil for cultivation. Rainfall is scanty and erratic, fresh water scarce, so that the farmer cannot fully exploit the long growing season, and industry is handicapped. Since earliest times Malta's population has quickly outrun the support of local resources. Man has profoundly influenced the environment—apparently denuding the islands of much of their original cover and producing a very early example of ecological degeneration—and he remains today in a precarious equilibrium. Large-scale emigration has been endemic in recent times, but the Maltese Islands remain one of the most densely populated areas in the world outside such completely urbanized entities as Hong Kong and Singapore, Monaco and Vatican City.

At various times, efforts have been made at intensified exploitation of local products. Cotton textiles were once Malta's most important export, their production declined drastically in the 19th century but has been revived in the last 10 years, along with woolens and other textiles. Little use seems to have been made of Malta's maritime location by Maltese seamen or fishermen, although efforts are being made to develop the fishing industry. Similarly, such traditional Mediterranean crops as the grape and the olive have not been systematically cultivated for export, at least in historic times. In the 19th century livestock raising and land reclamation seemed to offer some alternative prospects, but never became important enough to offset the long decline of agriculture. More recently, hopes have been placed in greenhouse horticulture, to compensate for environmental deficiencies, and in the discovery of offshore oil deposits.



Malta's potential as an entrepot in trans-Mediterranean commerce was long neglected because of the primary of strategic considerations. But trade did become a major source of income in the course of the last century, particularly after the opening of the Suez Canal. Bunkering and other port-provisioning services expanded into warehousing and the transfer of goods.

All such activities began a long, slow decline toward the end of the century, however, with the advent of larger ships which needed less frequent bunkering and were too big for port facilities designed only for the British Navy. The closing of the canal in 1967 sharply reduced such activities as a source of income.

While natural resources are negligible, labor is abundant, and there are untapped resources among Maltese women, who have only barely begun to enter the labor force. The availability of a relatively well-educated if unskilled labor force at costs lower than in Western Europe has underpinned developmental planning for industrial expansion.

The present government has developed its predecessor's programs to foster manufacturing and tourism as a means of offsetting the losses attendant upon the reduction of the British garrison and of services to the Royal Navy. Government planning since independence has envisaged public capital expenditures and substantial incentives to industry in order to increase exports, foreign exchange, and unemployment. Tourism quickly proved to have an important potential for the Maltese economy, thanks to the endowments of geography and history: natural beauty, climate, and the architectural triumphs of the many civilizations Malta has harbored—from prehistoric temples to the battlements of the Knights of St. John. Exports expanded with the growth of manufacturing, spurred on by the incentive program. The results since independence have been impressive: in the first half-dozen years per capita income doubled to a level far higher than any of Malta's Near Eastern neighbors and gross domestic product grew at a rate in excess of 8%.

Despite such economic growth serious difficulties remain. The accompanying demand for imports of both

capital and consumer goods has produced a perennial deficit in Malta's trade account. Moreover, Malta depends heavily upon its special relationship with the United Kingdom for foreign exchange earnings, particularly for base rental payments and sales and services to British forces, as well as for tourists. These have been jeopardized by the development of serious friction over the nature of the association with the British, beginning under the previous government but becoming acute under Prime Minister Mintoff. Such difficulties in turn have discouraged much needed investment in the Maltese economy from both foreign and domestic sources. Nor have potential private investors been reassured by some of the other policies and practices of the Mintoff government which have appeared unstable or hostile.

On the other hand, Mintoff has had considerable success in extracting new sums from the British and the NATO allies, while at the same time attracting some aid from new, non-Western sources. Mintoff has said that foreign aid will be used to develop the economy to a level sufficient to enable Malta to survive without foreign bases. However, few benefits therefrom have percolated down to the people. Foreign grants offer little help to his most immediate and critical problem: unemployment, which has been rising since 1969 with the decline in British spending. In early 1973 some 8% of the work force was unemployed, a politically unacceptable level if prolonged. The establishment of a labor corps for the unemployed provides no permanent solution. Moreover, the Prime Minister has yet to find an alternative for the nearly 6,000 workers who remain dependent upon the British presence for employment. In addition, there is chronic underemployment in government.

In this situation it is becoming increasingly difficult for Mintoff to dispell widespread discontent with economic conditions by means of his flamboyant diplomacy. He faces a dilemma: if he pushes ahead rapidly with his demands for full economic independence, the economy will suffer; if he does not, he may lose the national clan which has made his career possible.



## Chronology (u/ou)

**1500 B.C.**

Phoenicians begin colonization of Malta.

**218 B.C.-  
870 A.D.**

Malta is under control first of the Roman and then of Byzantine Empires. Inhabitants converted to Christianity in the first century A.D.

**60 A.D.**

Saint Paul shipwrecked on Malta.

**870-1090**

Arabs rule Malta.

**1090**

Normans conquer Malta.

**1530**

After being ruled by various feudal monarchs, Malta is ceded to the crusading Order of Knights of St. John.

**1565**

The Knights successfully withstand the Great Siege by Turkish forces, thus checking the Mediterranean conquests of Sultan Suleiman I of the Ottoman Empire.

**1798**

Napoleon takes Malta and ousts the Knights.

**1814**

Malta emerges from the Napoleonic Wars as part of the British Empire.

**1921**

British grant Malta a Constitution providing limited internal self-government.

**1930-36**

United Kingdom twice suspends and then revokes the Constitution. The underlying issue is the degree of influence of the Roman Catholic Church on the government.

**1940-43**

Malta sustains serious destruction from bombing by the Germans and Italians.

**1947**

**September**

United Kingdom restores internal self-government to Malta with a new Constitution.

**1955**

**February**

Malta Labor Party, led by Dom Mintoff and favoring integration with the United Kingdom or alternatively, self-determination, wins election.

**1958**

**April**

Mintoff government resigns; riots follow and Constitution is suspended.

**1961**

United Kingdom approves new Constitution granting self-government.

**1962**

**February**

Nationalist Party, led by Georgio Borg Olivier and favoring independence within the British Commonwealth, wins election.

**August**

Prime Minister Borg Olivier formally requests Maltese independence with membership in the Commonwealth.

**1964**

**September**

Malta becomes independent under a new Constitution. Agreements for mutual defense and for financial assistance are signed with United Kingdom.

**1966**

**March**

Nationalist Party wins reelection.

**July**

United Kingdom's proposals to accelerate withdrawal of British forces from Malta cause bitter U.K.-Malta political dispute.

**1971**

**April**

Association Agreement with the European Communities comes into force.

**June 16**

Malta Labor Party wins election and Dom Mintoff begins his second term as Prime Minister.

**June 22**

Sir Anthony Mamo, the first Maltese to hold the post, appointed Governor General following Mintoff's specific request.

**August**

Ministoff requests NATO to reimburse total expenses of Malta from the island

**1972**

**March**

A new Malta-L.P. accord is reached ending prolonged negotiations over status

**April**

Prime Minister Ministoff visits People's Republic of China

**1973**

**January**

Prime Minister Ministoff states need to abrogate the base agreement unless Malta is compensated for low rental losses caused by the sterling float in June 1972

NATO contributes to low rental payments except the United Kingdom agrees to give Malta special payment in compensation for losses caused by the sterling float

**February**

Prime Minister Ministoff agrees to accept first-quarter low rental payments from London

**April**

Malta accepts NATO special payments although it is dissatisfied with reduced amounts caused by the floating of sterling currency in February

### Glossary (u/en)

**ABBREVIATIONS**

CID  
CPM  
CWI  
MIF  
MIP  
MPD  
NP

**Notes**

Criminal Investigation Division  
Constitution Party of Malta  
General Workers Union  
Malta Land Force  
Malta Labor Party  
Malta Police Department  
Nationalist Party

## Area Brief

### LAND (U/OU)

**Area:** 121 square miles  
**Use:** 45% agricultural  
**Land boundaries:** 87 miles of coastline

### PEOPLE (U/OU)

**Population:** About 322,000; average density, 2,661 persons per square mile  
**Ethnic divisions:** Mixture of Arabic, Sicilian, Norman, Spanish, Italian  
**Religion:** 98% Roman Catholic  
**Language:** English and Maltese  
**Literacy:** 83%; compulsory education introduced in 1946  
**Labor force:** 111,000; 33% in service sector; fewer than 6% in agriculture; 20% in government  
**Organized labor:** Less than 50% of labor force  
**Males:** 86,000 between ages of 15 and 49; 75% physically fit for military service

### GOVERNMENT (U/OU)

Parliamentary democracy, independent since 1964. Prime Minister heads Cabinet responsible to unicameral 55-member House of Representatives elected by proportional representation. Judiciary comprises 8 judges and 9 magistrates appointed by the Governor General on Prime Minister's advice. Universal suffrage over 21 years; registration required. Most recent election June 1971; next statutory election in 1976. In 1971 Malta Labor Party received 50.8% of vote; Nationalist Party, 48.1%.  
 Member of the British Commonwealth, the United Nations, and the Council of Europe

### ECONOMY (U/OU)

**GNP:** \$280 million (1971 estimate); \$860 per capita  
**Agriculture:** Principal crops are potatoes, forage crops, tomatoes, grapes  
**Major industries:** Ship repair and shipbuilding; food, beverage, and tobacco processing; textiles, clothing, and footwear; construction

**Electric power:** Installed capacity in 1971, 115,000 kw.; production, 305 million kw.-hr.; per capita consumption, 720 kw.-hr.

**Exports:** Textiles, clothing, and footwear; rubber manufactures; agricultural products; electrical and electronic equipment and components

**Imports:** Agricultural products, petroleum, machinery and transport equipment

**Major trading partners:** United Kingdom, Italy, and West Germany

**Exchange rate:** 1 Maltese pound (£M1) = US\$2.80 prior to November 1967. £M1 = US\$2.40 from November 1967 through November 1971. £M1 = US\$2.67 from December 1971 to June 1972, when Maltese pound began floating; February 1973 average market value, £M1 = US\$2.63. Member of Sterling Area.

**Fiscal year:** 1 April-31 March

### COMMUNICATIONS (C)

**Highways:** 760 miles; 650 miles paved, 80 miles crushed stone and gravel, 30 miles improved and unimproved earth

**Ports:** 1 major (Valletta) and 2 minor

**Merchant marine:** 2 ships (1,000 g.r.t. or over) totaling 3,590 g.r.t. or 4,234 d.w.t.

**Civil air:** No major transports

**Airfields:** 4 total, all with permanent-surfaced runways; 3 with runways 4,000-7,999 feet; 1 seaplane station

**Telecommunications:** Modern automatic system centered on Valletta; 45,000 telephones; 80,000 radio receivers (incl. 60,000 wired sets); 65,000 TV receivers; 4 AM, 2 FM, 1 TV stations; 8 submarine cables (incl. 1 coaxial)

### ARMED FORCES (C)

**Personnel:** 680

**Major ground unit:** 1 battalion

**Ships:** 5 patrol craft

**Aircraft:** 4 helicopters

**Supply:** Dependent upon the United Kingdom for most military materiel; however, helicopter supplies and spare parts are imported from West Germany.

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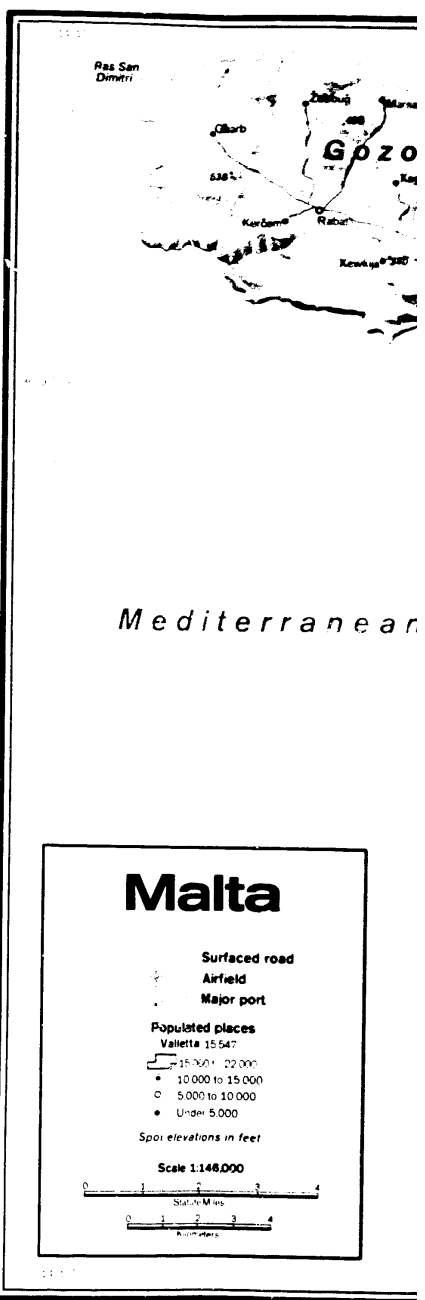
Places and features referred to in this  
General Survey (u/ou)

	COORDINATES	
	° 'N.	° 'E.
Benghisa ( <i>locality</i> )	35 49	14 32
Birkirkara	35 54	14 28
Birzebbuga	35 50	14 32
Buskett ( <i>park</i> )	35 52	14 24
Dingli	35 51	14 22
Għarb	36 04	14 13
Għarghur	35 55	14 27
Gozo ( <i>isl.</i> )	36 03	14 15
Grand Harbour ( <i>harbor</i> )	35 51	14 31
Gwardamanga	35 53	14 30
Gzira	35 54	14 30
Hamrun	35 53	14 29
Il-Birgu	35 53	14 31
Il-Furjana	37 54	14 30
Kemmuna ( <i>isl.</i> )	36 01	14 20
Luqa	35 52	14 29
Malta ( <i>isl.</i> )	35 55	14 25
Marsa	35 53	14 30
Marsamxett Harbour ( <i>harbor</i> )	35 54	14 30
Marsaxlokk	35 50	14 33
Medina	35 53	14 24
Mellieha	35 58	14 22
Mellieha Bay ( <i>bay</i> )	35 59	14 22
Mgarr	36 02	14 18
Msida	35 54	14 29
Mtarfa	35 53	14 24
Naxxar	35 55	14 27
Nigred	35 49	14 28
Ponta ta' Delimara ( <i>point</i> )	35 49	14 34
Pozzallo, Sicily	36 43	14 51
Rabat, Gozo	36 03	14 14
Rabat, Malta	35 53	14 24
Ramla tal-Mixquqa ( <i>cove</i> )	35 56	14 21
Rinella ( <i>locality</i> )	35 54	14 32
Saint Georges Bay ( <i>inlet</i> )	35 56	14 30
San Giljan	35 55	14 29
San Pawl il-Bahar	35 57	14 24
Siggiewi	35 51	14 26
Sliema	35 55	14 30
Ta' Wied Rini ( <i>locality</i> )	35 53	14 21
Tripoli, Libya	32 54	13 11
Valletta	35 54	14 31
Zebbug	35 52	14 26
Zurriq	35 50	14 28

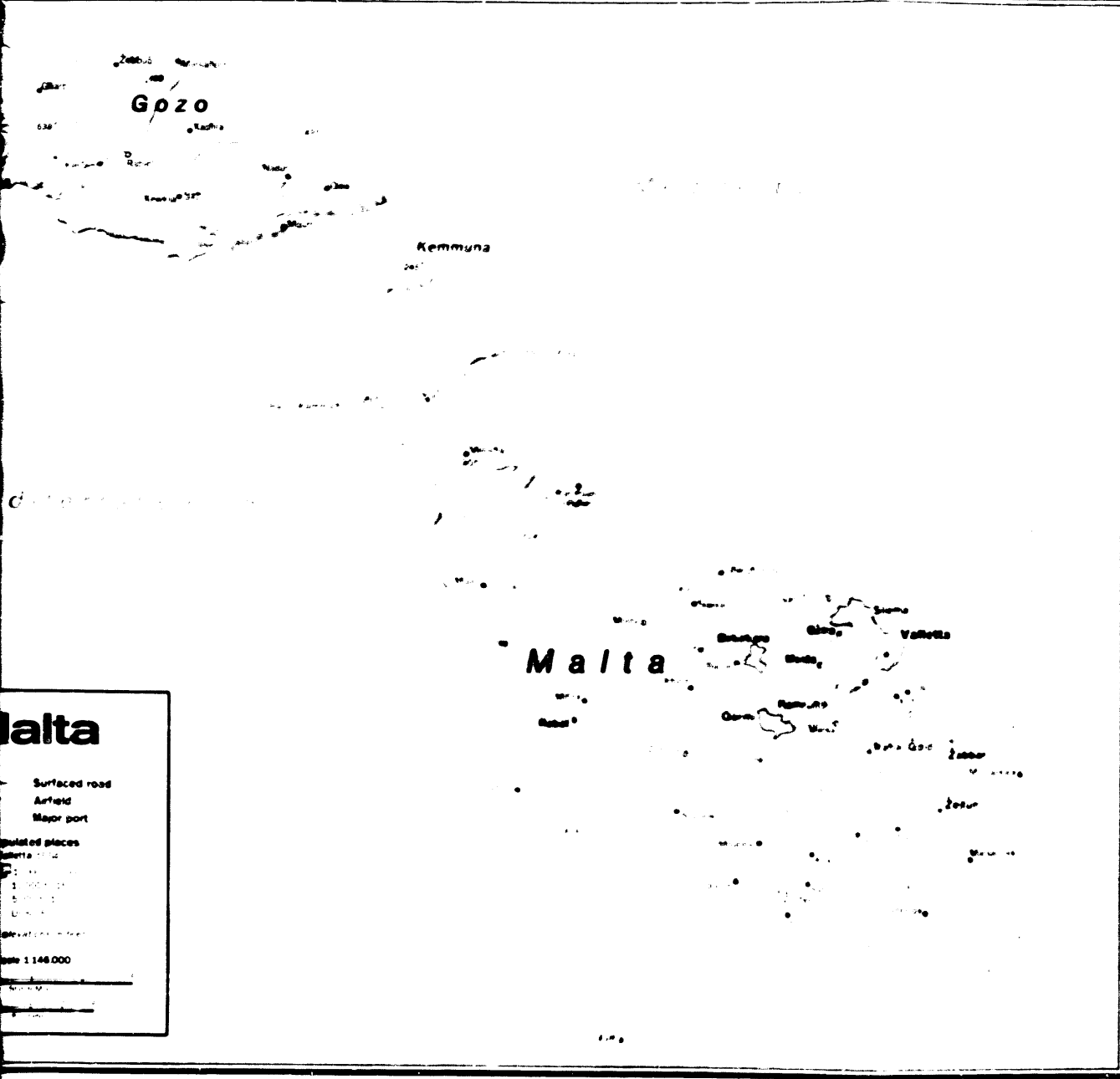
  

Selected airfields

Hal Far	35 49	14 31
Luqa	35 51	14 29

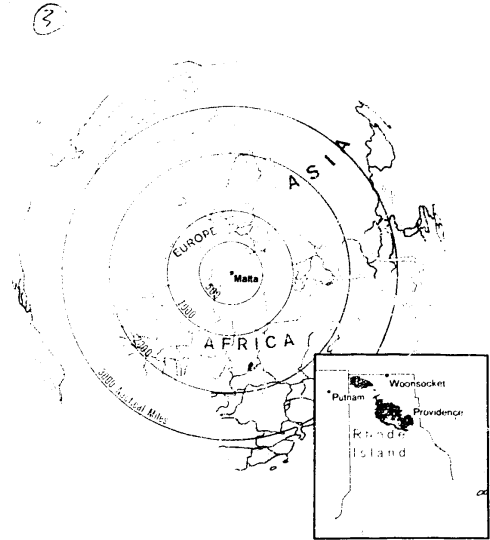
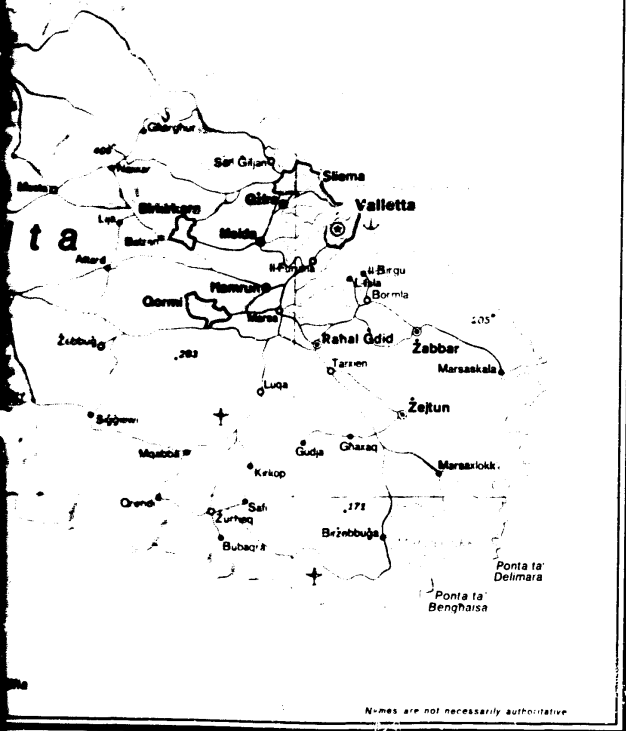


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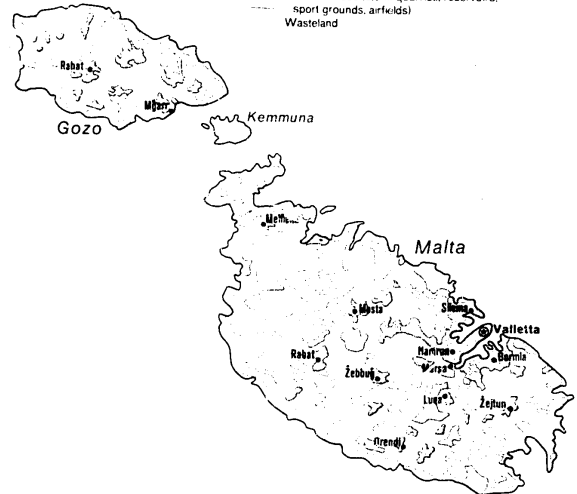
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Mediterranean Sea



**Land Utilization**

- Cultivated area (grain, grapes, fruits, vegetables)
- Built-up area, including some light industry
- Other land use (stone quarries, reservoirs, sport grounds, airfields)
- Wasteland



Summary Map