

MINISTERU  
TA' L-AFFARIJET BARRANIN  
U PROMOZZJONI TA' INVESTIMENT



MALTA

MINISTRY  
OF FOREIGN AFFAIRS  
AND INVESTMENT PROMOTION

*Il-Ministru*

*The Minister*

Onor Prim Ministru  
Kastilja

Għażiż Lawrence,

Fis-sbatax il-sena li servejt fil-gvernijiet kollha tal-Partit Nazzjonalista, għax kont protagonist fid-deċiżjonijiet li ttiehdu u fit-tibdil li sar, kont taħt attakk kontinwu u l-mira tal-Partit Laburista. Izda din hi l-ewwel darba li qed naffronta attakki minn naħat differenti.


Minn banda ma nistax nittolera ċirkustanzi fejn nissoġgetta l-familja tiegħi għas-sistema ta' rikatti politiċi li issa qed tigi istituzjonalizzata f'pajjiżna. Mill-banda l-oħra jiena ma niffunzjonax f'ċirkustanz fejn jeżisti ambjent fejn irrid noqgħod niproteġi dahri.

L-istrategiji li nħaddmu f'dawn l-aħħar ftit gimgħat fil-konfront tiegħi minn bnadi differenti holqu dawn iċ-ċirkustanzi u li fihom nħoss li ma nistax naħdem b'mod effettiv. Għalhekk qiegħed nagħtik ir-riżenja tiegħi minn Ministru tal-Gvern.

Qiegħed nehmez rijassunt ta' l-avvenimenti kif graw u l-ħsibijiet tiegħi dwarhom.

Beħsiebni rikompli naħdem fi ħdan il-grupp parlamentari u fi ħdan l-organi tal-Partit biex insaħħu dak li ksibna.

Inselli għalik u nawguralek.



John Dalli  
Ministru tal-Affarijiet Barranin  
u Promozjoni tal-Investment.

3 ta' Lulju 2004

### Summary of Events

Over the past seventeen years, I have been in the forefront of the restructuring that we accomplished. Every step of the way, every decision taken was, somehow or other, assailed by the opposition in an attempt to sabotage our objectives or to dampen our achievements. Throughout the time that I have served in Government, I have been the target of many allegations. Those who made the allegations had all the time and the opportunity to investigate. Investigate they did but none of the allegations could be sustained.

I am also pleased that over all these years, those who could judge me on facts rather than fiction, showed full trust in me and I was appointed to the cabinet of all Nationalist Party governments since 1987. This includes yourself who last March, even though you knew I was reluctant, invited me into your cabinet.

It is sad that the destructive attitude of the opposition has become institutionalised political blackmail. All those who feel aggrieved by a decision are seeking redress not through normal civil process but through a destructive political campaign mounted and run in conjunction with the opposition. Today we are seeing this spilling over in decisions taken in the private sector.

In the past weeks I had to spend a lot of time abroad, busy with a heavy programme of meetings to

- sustain our EU membership commitments,
- lobby for our positions in the EU constitution,
- solidify bilateral relationships with important countries and
- push Malta as a location for industrial investment and as a base for logistic support.

At the same time another negative campaign was being mounted against me. Now that I have had the time to sift through the material that was published and transmitted, as well as the information that reaches me, I can make an assessment of what is happening and who could be the promoters and what can be the motivations behind these attacks.

There were two distinct and separate attacks.

One related to the agency agreement between a foreign shipping company and a local company in which members of my family are

involved. This attack was mounted by Alfred Sant and one of the unsuccessful competitors for the contract.

The question in this regard is not the involvement of my family in a private venture. They have the same rights as any other Maltese citizen to enter into business deals or to pursue their profession in the private domain as they see fit and with whom they see fit.

God forbid that we come to a situation where our families have to deprive themselves of the opportunities that we create for all our citizens or even worse where they feel that they have to camouflage their actions.

Neither is it a question of the process used by the private sector to award contracts and strike business deals amongst themselves. It would be disastrous if government in any way seeks to interfere in this process. Private enterprise must be allowed total freedom to operate and take decisions according to criteria which they set for themselves in their specific circumstances.

The allegation that I interfered in the process of the choice IRISL is contradicted by the following facts:

- I had no involvement whatsoever in the contact or negotiations between IRISL and the Freeport
- The visit to Malta by the Iranian Delegation comprising the Deputy Minister of Commerce of Iran (who is also chairman of IRISL) and other IRISL officials was organised by the Ministry of Foreign Affairs according to normal diplomatic channels and protocol rules when I was still Minister of Finance and Economic Affairs.
- The delegation met all those whom they requested to meet and, contrary to the allegations made, they had ample free time to meet anybody they wished.
- Other allegations concocted by one of the unsuccessful competitors were given the lie by facts and by a letter sent by IRISL to the said company. These included:
  - A claim that that this company had any agreement with IRISL regarding this new venture.
  - A claim that I frustrated a dinner appointment they had to meet with the Iranian delegation.
- IRISL declare in writing that the choice of agent was made by them without any interference and was taken for specific commercial reasons.

The interview which was given by Alfred Sant to Bondiplus on the 29<sup>th</sup> June speaks volumes. When asked, Alfred Sant blatantly avoided to support his allegations with any fact or proof, cynically showing that he

has a total disregard for facts and ethics. He could not do otherwise as he has no proof for his allegations and as he is relying solely on what an interested party is saying.

It must be stated that when the companies that were registered to handle this agency were formed, there was total transparency and there was no attempt whatsoever at camouflage.

The second attack concerns the purchase of airline tickets by the Ministry of Foreign Affairs from Tourist Resources Limited. This attack came from a different source. I expressed my apprehension to you when I was first informed of the attack on the Times and PBS on the 9<sup>th</sup> June, three days before the elections.

The attack revolves around the fact that five years ago, members of my family had an interest in this company. It must be categorically stated that no one in my family has any interest or control in this company.

Some quote the policy set years ago for all the public sector to purchase its requirements in air travel exclusively from Air Malta. In fact the policy was changed on the 23<sup>rd</sup> January 2001 by circular MF/201/1992 wherein it was stated that:

"iii. Where this is economically feasible, air travel tickets and hotel accommodation arrangements should be procured and processed through Air Malta. However, when it results that better terms can be obtained from other sources, these are to be availed of, provided that at least three quotations are sought, one of which must always be from Air Malta. The 50% flight discount on flights directly operated by Air Malta shall continue to apply."

This policy is being followed in the Ministry of Foreign Affairs. Unfortunately in this case, against the practice in my previous ministry, only two quotations are being requested. I hope that nobody would suggest that I gave any instructions to breach the procedure.

The information I have from the department responsible for the purchase of tickets is that they are getting the best service that they have ever had. At the same time a comparison between the quotations received show a savings of around 11%. In my books this is value for money.

In a parliamentary question that I replied to on the 15<sup>th</sup> June about this issue I invited the chairman of the public accounts committee to ask the auditor general to benchmark the expenditure on air tickets in all the public sector with that in the Ministry of Foreign Affairs.

The Opposition does not seem to have taken up this invitation. Why? Do they believe that I will be proved right?

I ask you to take up this issue yourself as Minister of Finance and request this benchmarking exercise.

Another accusation regarding TRL is that the person who acts as my security has some involvement with this agency. This is being brought as the reason for unethical behaviour. I have to ask how does this implicate me in unethical behaviour?

As I told you in my e-mail of the 10<sup>th</sup> June, my concern is the origin of the attack.

The main attack took place on the 9<sup>th</sup> June, three days before the EU elections through the publication of a story in the Times of Malta. Wonder of wonders, PBS departed from their normal practice, and not only covered the same story but practically read out the Times report.

From inquiries that I have made all indications are pointing to a particular journalist.

Ivan Camilleri, a journalist with PBS, kept up the attack on various occasions, for example in a press conference with yourself on the announcement of the EU parliamentary elections and in a talk show that he hosts.

I maintain that I have done nothing that requires censoring.

But the situation that has developed through strategies worked out by different interests is one in which I cannot function. This is why I have decided to tender my resignation.