

Memorandum to Cabinet by the Hon. Minister of Education,  
Culture and Tourism regarding legislation to control  
tourist agencies operative in Malta.

In response to written requests from the Malta Association of Travel Agents and to verbal representations from Members of the Chamber of Commerce representing travel agents' interest, as well as in regard to mounting criticism in all the local papers, the Malta Government Tourist Board has submitted to the Ministry of Education, Culture and Tourism draft legislation meant primarily at introducing a modicum of control on the Travel Agency section of the tourist industry to ensure, on one hand, the adoption of proper standards of operation and service to the public, and on the other, to safeguard it from encroachment, if not slow absorption, by competing but more powerful expatriate interests.

The Draft has been given close study by the Tourist Board - and a copy has been addressed - as "advance notice" to the Crown Advocate General.

The Tourist Board has requested the Ministry of Education, Culture and Tourism for the necessary authority to make available a copy to that Member of the Tourist Board who represents the interests of Travel Agents for the specific purpose of discussing the draft legislation with his colleagues in the trade and to solicit their constructive criticism and indicate desirable amendments, additions, etc., for the inclusion in the Bill.

These would be submitted to the Tourist Board for their further study and evaluation and their incorporation in a final draft which would be submitted to the Ministry, and later to the Crown Advocate General.

In view of the particular nature of the Tourist Board - which has a distinct legal personality and is para-statal in its constitution - it is for consideration - in the first instance, as to which Department or Ministry is to be the channel of communication between the Government and the Travel Agency Association: unless it is agreed that Cabinet will empower the Minister of Education, Culture and Tourism to direct the Board to conduct direct discussions with the trade on the basis of the preliminary draft which however has not yet been vetted by the Legal Officers of the Crown.

The draft at page 6 (b) - top of page - purports to define the percentage degree of participation as the acid test of the "bona fide" of applicants who are envisaged to be Maltese citizens residing in Malta.

It is for consideration whether this criteria is acceptable to Government as once promulgated by law it could have a bearing on the control of industries, hotels, companies and other local activity which might attract outside capital or whether it is Government's wish that control is to continue to be exercised through the administrative machinery governing entry and working permits.

Another consideration where the Cabinet's directive is being sought is whether it is the Government's intention to articulate - if at all - the extent of foreign participation - even up to 49% (to guarantee the majority shareholding for Maltese interests only). It might result that politically no degree of foreign participation, however small, is

welcome any further in future, while the law would have contemplated, if not given the impression of encouragement, of infusion in Malta of such expatriate capital.

As the subject matter of the Memo is one of considerable import and of an urgent nature early consideration is being solicited so that a decision could be arrived at as early as possible; and for its inclusion as an urgent item in the Government's legislative programme for the financial year 1969-1970.

18th April, 1969.

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