

MEMORANDUM to the Cabinet by the Minister of Industrial Development and Tourism on the subject of an application for assistance under the Aids to Industries Ordinance filed by Mr. Charles G. Halsted in connexion with the construction of a hotel at Cirkewwa (Paradise Bay), Malta.

On November 27, 1961, Mr. Charles G. Halsted filed an application with the Malta Government Tourist Board for assistance under the Aids to Industries Ordinance in connexion with the construction of a 45 room (75 beds) hotel at Cirkewwa (Paradise Bay), Malta.

2. The application was published in the Government Gazette for the statutory period of fifteen days and was considered by the Tourist Board at a meeting held on November 28, 1961 and the project was recommended for assistance by letter dated November 30, addressed to His Excellency the Governor.

3. The Board recommended the grant of a ten year income tax holiday, duty-free importation of constructional material and equipment, exemption from duty on first importation of operational equipment, including furniture and a grant of 20% of the construction costs or £350 per bed whichever amount was the less up to a maximum of £4,800.

4. Mr. Halsted then proposed to spend £35,000 of which £24,000 in expenditure which qualified for a grant.

5. Mr. Halsted's application was forwarded to the S. of S. for the Colonies on February 20, 1962, under cover of a savingram bearing reference number Malta/Sec/2084/61 - Aids to Industries C.D. & W. Scheme D.3891. A reply was received from the S. of S. on April 25 addressed to the United Kingdom Commissioner and bearing reference number MED 423/8/010 approving a grant of 20% or £350 per bed whichever is the less, subject to a maximum of £4,400 in lieu of £4,800, pointing out that "it is usual practice to restrict the calculation of assistance to the estimated construction cost of the hotel and to omit the cost of 'other amenities'".

6. It is submitted for the consideration of Cabinet Ministers that a hotel cannot qualify as a resort hotel unless certain facilities pertaining to a resort area are also provided and that resort facilities being so sadly lacking in Malta every endeavour should be made to encourage hotel developers to provide them if a success is to be made of the tourist industry in Malta.

7. Mr. Halsted was asked to produce architect's plans and an elevation drawing together with schedule of quantities and estimates which I am producing for the Hon. Ministers to see. The revised cost of construction together with the cost of legal and architect's fees and items of fixed essential equipment has been revised and now totals £34,500. The Director of Public Works, to whom the plans and the estimates were submitted for comments, stated inter alia in his letter of August 7, 1962, that "it appears that there is enough information to justify acceptance in principle of this project following which the investor would submit fully detailed plans, sections, elevations, estimates and such other details as would enable Government to approve the project finally".

8. Having regard to the foregoing, it is submitted to Hon. Ministers that the project should be approved and that -

a) the land edged in red on plan be granted in emphyteusis for a period of 150 years under usual conditions discussed already between the Commissioner of Land and Mr. Halsted;

...(b) His Excellency

b) His Excellency the Governor be advised to issue the following Orders in favour of Halsted Taylor and Company Ltd. (company formed by deed in the records of Dr. P. Pullicino on April 17, 1962):

- i) Aids to Industries (Halsted Taylor and Company Limited)(Relief from Income Tax) for a period of ten years;
- ii) Aids to Industries (Halsted Taylor and Company Limited)(Relief from Customs Duty) for three years from January 1, 1963,

c) the Secretary of State be asked to approve that the maximum of the grant be increased to £6,900.

October 23, 1962.