

MEMORANDUM FOR THE CABINET
BY THE HON. MINISTER OF ECONOMIC PLANNING & FINANCE

Malta Government Tourist Board
Estimates for 1962-63

Section 7(2) of the Malta Government Tourist Board Emergency Ordinance, 1958 - Ordinance No. XIII of 1958 - states that "the Board shall furnish the Governor with such returns, accounts and other information with respect to the activities of the Board as he may from time to time require and shall, in each year, prepare and submit to the Governor estimates of expenditure and programmes in respect of the following financial year." The Chairman of the Board submitted the Estimates for 1962/63 in October, 1961 but no decision thereon could be taken before the Ordinary Estimates for 1962/63 were finalized and the size of the grant to the Board agreed upon. In the current approved Estimates this grant is shown under Vote 14 (III item 23) - Miscellaneous Services - and is now limited to £80,500.

2. The original request of the Chairman was for £91,000 which represented an increase of £8,060 over the approved estimates for 1961/62 mainly on account of Publicity (+ £5,200) and Special Expenditure (+ £1,700). Subsequently an additional sum of £10,600 was requested through the Hon. Minister of Industrial Development and Tourism for water service to Comino (£8,000) and for publicity service (£2,600), bringing the total grant requested to £101,600.

3. When the General Estimates for 1962/63 were drawn up, it was not found possible to provide for the additional funds required by the Board. Not only that, but as in the case of other departments, certain economies had to be effected. Actual expenditure by the Board in 1961/62 amounted to £81,741 against an approved estimates of £82,940 and for 1962/63 it was felt that with careful spending, the Board could make do with £80,500.

4. Enclosed in the relative file is a revised estimate of expenditure of the Tourist Board for the current financial year within the limits of the approved grant of £80,500.

5. VIREMENTS:- On the 5th and 24th March, 1962, i.e. during the financial year 1961/62, the Chairman of the Tourist Board asked for approval to

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effect the virements shown hereunder:-

Item	Approved Provision	Additional amount required	Savings
A.21. Overtime	850	250	A. Personal Emoluments
B. 2. Water, Electricity and Telephones	500	180	- do -
B. 8. Printing and Photographic equipment	300	80	- do -
B. 9. Transport	900	350	- do -
B.12. Publicity	11,800	2,250	B.11. Promotion
B.13. Rent	-	70	B. 5. Fees to Board members, translators and Auditors
C. 1. Furniture and Office equipment	200	200	A. Personal Emoluments

6. In May 1961, His Excellency the Governor had directed that virements should be subject to the prior approval of the Financial Secretary. As a matter of urgency due to the proximity of the close of the financial year 1961/62, the above virements were provisionally agreed to by the Deputy Financial Secretary subject to covering authority being obtained later.

7. Hon. Ministers are, therefore, now asked to give their formal agreement that the Governor be advised:-

- (a) to approve in terms of section 7 of Emergency Ordinance No. XIII of 1958, the Malta Government Tourist Board Estimates for 1962/63;
- (b) to give covering approval for the virements referred to in paragraph 5 above.

19th November, 1962.

6. The granting on emphyteusis to the Naval Authorities of the Island of Filfla and the adjacent rocks would not in itself solve all the difficulties inherent to the matter, especially in regard to the restriction on the use by fishermen of the area around the Island, but it would at least establish the basis of legality on which the Government of Malta has been ever insisting.

7. It is to be noted that one of the effects of the emphyteutical concession would be that of empowering the Naval Authorities to preclude the public from going on the Island of Filfla. But this right was already exercised, under the powers vested in the Governor by section 27 of the Land Acquisition Ordinance, by virtue of Maltese Imperial Government Notice No.108 of the 23rd September, 1955, and the Government of Malta did not then object to the exercise of such right in view of the possible danger to members of the public on account of the existence on the Island of unexploded bombs.

8. The legal position now is that the previous Administration has committed the present Administration to the extent that it may be said that an agreement legally binding has been reached on the terms of the emphyteutical concession. But, even under such circumstances, this Government cannot accept the granting of the Island of Filfla at a nominal groundrent of one shilling per annum. The original intention under the previous Administration was to grant the Island at a yearly groundrent of £100, but, subsequently, the Legal Secretary decided that the groundrent should be a peppercorn one of one shilling per annum since, he said, the U.K. side would appear to be compromising on the principle it always upheld that Her Majesty's Government should not pay for the use of defence facilities in Malta. This is not acceptable to the present Administration and, while it would seem that there should be no objection to the granting of the Island on emphyteusis for the purpose already referred to, payment of a yearly groundrent of £100 should be insisted upon.

16th November, 1962.