

MEMORANDUM TO CABINET BY THE PRIME MINISTER
House-letting by Permanent Residents

In April 1966, Miss Sheila Bain and Mrs Alys Houston applied for permanent residence for which they qualified under the financial conditions prevailing at the time. On the 31st December, 1966, approval was duly given by the Prime Minister, but, before this could be communicated to the ladies concerned, the question arose as to whether they could be allowed to make use of four premises owned by them as guest-houses.

2. As Ministers are aware, persons granted permanent residence in Malta are not permitted to take up any employment (including self-employment, managerial post or directorship), trade, business, profession or calling. In the circumstances, the ladies' request was referred to the interested Ministries for their recommendations.

3. The Ministry of Trade, Industry and Agriculture and the Ministry of Education, Culture and Tourism raised no objection. On the other hand, the Ministry of Labour, Employment and Welfare stated that the two ladies could not "be granted permanent residence with privileged treatment and at the same time compete with Maltese landlords" and added that the Cabinet should decide whether house-letting by permanent residents was to be considered as a gainful occupation or as a means of investment.

4. Whilst it is agreed that the permanent residence scheme is primarily meant for retired people, a condition of whose permit is that they shall not undertake any form of employment whatsoever, it may be argued that the letting of extra accommodation to tourists by Miss Bain and Mrs Houston, which is marginal, cannot affect substantially the interests of Maltese landlords. If such lettings would only serve to accommodate friends and acquaintances brought to Malta by these two ladies, who might not otherwise have visited the Island, some benefit to the local economy would also ensue. Moreover, the request was submitted more than three years ago when the policy of no employment with regard to permanent residents was not so rigorously applied.

5. The issue, however, is related to ownership of immovable property by expatriates, and in particular to the question whether house-letting by permanent residents is to be considered as a gainful occupation or as investment, in terms of recently approved policy.

6. Ministers are requested to consider:-

- (a) the particular case of Miss Bain and Mrs Houston; and
- (b) whether house-letting by permanent residents is to be considered as a gainful occupation or as investment.

19th July, 1969.