

MEMORANDUM TO CABINET  
BY THE PRIME MINISTER

Projected Causeway between Malta and Gozo

On the 17th July, 1969 Ministers considered Memorandum No. 1308, and decided that the views of the Economic Planning Division should be obtained in the first instance.

2. The view of the Economic Planning Division is that it is not possible for the Government to commit itself to such a scheme before a detailed project evaluation in the form of an authoritative feasibility study, properly costed and indicating the lands required, is prepared and submitted by the promoters. Apparently, this is also the view of Messrs Ascon International who, as one of the foreign consultants interested in the land-link project, have clearly stressed that a detailed feasibility study is a pre-requisite to a decision by the Government as to whether or not to proceed with the construction of a land-link and how to approach its design and construction in the event of deciding to do so.

3. On the practical aspects of the case, Economic Planning Division think it will hardly be possible for Government to find the necessary funds within the course of the next five years for a 50% grant, for the laying of essential services and for the construction of access roads. These will all have to come out of loan monies and with the present high interest rates the burden on the recurrent budget would be too heavy. Preliminary, very rough estimates indicate that the tolls which will have to be levied to render such a project commercially viable are likely to render the causeway uncompetitive with the ferry. Furthermore it is felt that the transportation needs of Gozo for the next five years, at least, are being adequately provided for by the modernisation of Mgarr Harbour and improved ferry services. There is no impellent

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need, therefore, to float loans of the magnitude likely to be required for such a project in the 1969/74 Development Plan and overburden further our precarious recurrent budget.

4. The Economic Planning Division suggest that promoters be informed that it is not possible for Government to commit itself on a scheme unless a proper feasibility study is presented, indicating at the same time that for the next five years availability of finance might be a stumbling block to the realisation of such a project.

5. On the other hand, the promoters, of the project now state that, in view of the expense involved, it would not be possible for them to undertake the preparation of the required feasibility report unless they have a prior indication of the Government's approval in principle of the project - and the aid asked for - in the form of a letter of intent.

6. Ministers may wish to give further consideration to the proposal in the light of the views expressed in this paper.

30 MAR 1970

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