



Dominic Fenech
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Revealed: MCESD report

Kurt Sansone

A REPORT on competitiveness to be discussed by the Malta Council for Economic and Social Development, a copy of which is in the hands of *MaltaToday*, proposes a reduction in the number of public holidays, a lower statutory rate for overtime, the introduction of a property tax, lower income tax rates and a ceiling for wage increases in the public and private sectors.

Kept under wraps, the report was presented to the MCESD Council on 2 August. It was drawn up by the working group set up within the MCESD to come up with measures to bolster competitiveness. The report lists 55 measures backed up by domestic and European statistical data. It could effectively be a blueprint for the November budget.

The report is to provide the basis for a wider discussion on the creation of a social pact. Its principal author was economist Gordon Cordina, who is also the working group's chairman. The other group members were Victor Scicluna, chairman of the MCESD, Alfred Demarco from the Central Bank, Vince Farrugia from the GRTU, Tony Zarb from the GWU, Adrian Bajada from the FOI, Paul Zahra from the Ministry of Finance and



Tax incentives for child care facilities are high on the agenda

Gejtu Vella from the UHM.

Analysing the contents of the 35-page report it is now clear why on that hot July afternoon when the constituted parties met Prime Minister Lawrence Gonzi at Castille over the introduction of the eco-tax, UHM Secretary General Gejtu Vella, when talking to the press, was visibly emotional about government's resolve to introduce the tax at all costs.

Having been involved in the

drawing up of the MCESD report, Vella knew that any suggestion contained within the report to introduce a form of polluter tax would have to be accompanied by a reduction in income tax. But what Gonzi wanted to do and still intends doing is to simply introduce another revenue generating mechanism with no hint of loosening the tax belt.

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RCC and DOI silent over alleged penthouse at Brussels embassy

Karl Schembri

THE LM9 MILLION Brussels property which the Prime Minister believes will prove to be a valuable investment is increasingly turning into a political liability as more information about the dubious deal piloted by Richard Cachia Caruana continues to surface.

MaltaToday could not confirm that Cachia Caruana – the only unelected Cabinet member who goes by the unassuming title of "Ambassador Extraordinary and Plenipotentiary Permanent Representative" for Malta in Brussels – originally intended to build a penthouse residence for himself on the building, but ended up scrapping his plans after the public outcry.

Asked to confirm that information, Cachia Caruana and the government declined to comment to *MaltaToday* as the Brussels property controversy rages on.

RCC's staff list revealed
Malta's 'bargain deal' meant a Lm4 million gain for real estate agency
Sant: Government will have to sell it 'cos it needs money
Albert Mizzi: No comment

The government declares it was "transparent" in its dealings but refuses to launch an inquiry, let alone answer questions sent by the media. Questions sent by *MaltaToday* remained unanswered.

The government has still not declared how much it will be spending on Cachia Caruana's residence. Also, the government says it has not yet estimated the costs to install high-tech security systems, IT and telecommunications infrastructure within the building.

It is also clear that the idea of leasing out part of the building for commercial purposes came as an afterthought, while public criticism was at its highest. Gonzi is now saying that four of the nine storeys may be rented for commercial purposes, Cachia Caruana says it might be two.

Since *MaltaToday* broke the story - 27 June - about the government's Lm6.5 million property purchase, new information about the deal has been snowballing amid mounting public outrage.

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New investigation into former *Where's Everybody?* consultant

Matthew Vella

NEVER TOO FAR AWAY from controversy, private investigator Joe Zahra is back under the spotlight as fresh police investigations have been launched into a suspected case of perjury by Zahra, 50, currently also charged with having presented false evidence on the contentious Mater Dei tender process for the supply of medical equipment.

This newspaper can confirm that Joe Zahra the former Lorry Sant driver who later found favour with *Where's Everybody?* is being investigated on the presentation of false information in a Family Court suit

between a man and his wife who are contesting the custody of their child. The husband is denying what he claims is the most damaging accusation in his regard, namely that of exposing his son to the company of his female friend in breach of court decrees. The court had decreed that when father and son meet, no women bar family relatives, should be present.

MaltaToday is informed that the Criminal Investigation Department has been approached by the husband and is now investigating the contents of a report Zahra compiled on the husband and his woman friend.

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Labour document suggests regularising immigrant workers to fight pension problem

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