



Gonzi bows to PN rebels but stands by RCC

IN an unprecedented move, Prime Minister Lawrence Gonzi yesterday bowed to an outcry by angry PN rebels over the controversial St John's Co-Cathedral extension, which is being pushed by Malta's permanent representative to the EU, Richard Cachia Caruana.

Yesterday's hastily-called parliamentary group meeting was convened to discuss a counter motion, moved by the Prime Minister, to neutralise Opposition leader Joseph Muscat's motion against the proposed underground ex-

tension of the Co-Cathedral museum.

A senior Office of the Prime Minister source told MaltaToday that the meeting was "uncomfortable" for the Prime Minister. In the words of a backbencher who insisted on remaining anonymous, it was a case of "the chickens coming home to roost."

Muscat's motion, put forward last week, questions Cachia Caruana's role in the foundation that is proposing the extension, as well as his position as a member of the Cabinet and permanent representative in Brussels.

The move is seen as a clear attempt to derail his nomination for the post of EU Commissioner.

Opposition to the extension has already been vociferously expressed by PN backbencher Jeffrey Pullicino Orlando. But others joined the chorus yesterday, including former ministers Ninu Zammit and Jesmond Mugliett as well as Robert Arrigo, among other dissenters.

Continues on page 11 ▶



Mario Demarco interviewed
page 12, 13 ▶

Charles Clews
page 7 ▶

173 ODZ permits before election
page 4 ▶

Chapter takes secret vote on controversial Cathedral extension

THE St John's Co-Cathedral Chapter has taken a secret vote on the controversial extension to the cathedral museum, but the results have been kept under wraps by the Archdeacon, Mgr Philip Calleja.

The latter has been at the forefront in the controversy in his other role as president of the Co-Cathedral's foundation, defending the plans for the underground extension to the museum to house the Flemish tapestries donated by Grand Master Ramon Perellos in the early 18th Century.

Although the result of the

Chapter's vote has not been made public, individual canons who spoke to MaltaToday expressed their outright disagreement with the plans. A total of 25 canons and four honorary canons, a dean, precentor, treasurer and archpriest make up the Chapter.

While many of the canons interviewed requested anonymity, one particular member of the chapter, Mgr Prof. Carmel Cassar, warned of "irreversible damages" that might be caused if the project goes ahead as planned.

Continues on page 6 ▶

Hedging to cause \$30 million losses in coming months

SOURCES close to Enemalta have said that if the price of oil keeps falling or remains as it is today, the Maltese taxpayer is expected to lose around \$30 million in the next three months thanks to the government's controversial hedging agreement.

The Infrastructure Ministry on Friday released statistics regarding hedging (whereby oil is purchased at a pre-negotiated price, regardless of fluctuations) but nothing was revealed about the specific agreed price, or about who the companies involved in this agreement are.

Instead, Friday's revelations –

which were prompted by questions put to the Office of the Prime Minister and Minister Austin Gatt by MaltaToday – indicated that government has already lost over US \$35.9 million in the last three months.

The 1997 Labour administration was criticised by the Opposition for entering into a hedging agreement. Surprisingly, however, when in government the Nationalist Party also opted for hedging. Friday's statement outlined profits and losses accrued as a result of the hedging agreement, but salient details about the hedging price and duration of the hedging

agreement were conveniently not mentioned at all.

In October last year, when the price of oil started to drop, government announced it would introduce new water and electricity tariffs, justifying its decision on the basis of losses incurred by Enemalta. It now appears, however, that the decision was in reality fuelled by the sudden realisation that the government's own hedging agreement would lead to massive losses, as Malta continued to buy at fixed rates while the price of oil dropped to all-time lows.

Continues on page 4 ▶



The Great Indoors
Warm Winter fun!

Have some warm Winter fun this season with Fino® and friends. Great laughs, great home. Fino®, The Great Indoors!

fino
www.fino.com.mt