

# Malta: Key to the Mediterranean

*The Hon. Mabel Strickland*

THE Constitution of Malta is dyarchical —indeed it cannot be otherwise for Malta cannot and never has survived alone, nor can the Island, devoid of all natural raw materials save building stone, maintain her present population of approximately 2,500 persons per square mile. The major industry in Malta throughout the centuries has been that of defence, the Island being destined to belong to the strongest power at sea since the days of Carthage.

As the citadel of Christendom under the Knights of Malta between 1556 and 1798 the wealth of the Commanderies of the Knights of Europe poured into Malta. Auberges, Palaces, aqueducts, granaries and fortifications were built. The population rose from 41,084 in 1614 to 100,000 in 1798 when Napoleon took Malta from the Knights. The Siege of the French in Valetta by the Maltese Insurgents and the failure of supplies of wheat from Sicily for Malta itself brought distress and hardship in the years 1799-1800 when the French surrendered to Sir Alexander Ball and one of Lord Nelson's Captains. By 1814 Malta was firmly established as a British Possession—to quote the famous inscription over the Main Guard at Valetta:—

*Magnae et Invictae Britanniae  
Melitensium Amor et Europae Vox  
Has Insulas Confirmat A.D. 1814.*

Admiral Lord Nelson had no illusion as to the cost of maintaining Malta and only agreed to provide British assistance to the Maltese insurgents after continual appeals in order to drive and keep the French out of the “strategic key of the Mediterranean.”

By 1881 the population of Malta and Gozo had risen to 150,000 and by 1948 to 305,000. It will be seen that under British rule further monies were poured into Malta, more fortifications were built—mainly against the French in the second half of the last century, while a great dockyard developed, military barracks and a breakwater came into being in the early half of the century, and by 1920 the first of Malta's aerodromes at Hal Far was being built. In the war of 1939-1945 the treaty rights of 1800 between Britain and Malta were kept and honoured at great cost and sacrifice on both sides. History repeated itself only this time the strategic island was held against the Nazi conquerors of Europe. Malta survived an aerial siege, battered, broken and proud.

## II

IN the decade preceding World War II a considerable invisible income was earned in Malta owing to the presence of thousands of “temporary residents”

connected with the Services and a steady flow of migrants away from Malta and of monies back to Malta from migrants in the U.S.A., Australia and Britain. All this came to an abrupt halt in World War II, but the requirements of defence gave every man and woman full employment over a period of six years and more. Siege rations and conditions meant the accumulation of wages and a boom for the farmers; the aerial bombardment entailed the destruction of houses and household goods of which there would be no replacement until the end of the war. In 1942 for the first time under British rule the death rate overtook the birth rate. By 1948 the birth rate sprang up to an alarming figure of an increase of 8,000 a year. This figure, however, may be misleading and is not one on which to base any long term calculation for migration mitigates it as indeed does the employment situation.

Here it should be noted that today the islands of Malta and Gozo can only feed themselves for eighty days. The acreage under cultivation in 1945-46 was estimated as 37,225 giving employment to 23,000 people of whom slightly less than half were regulars. The value of the produce of the land—forage £349,000, potatoes £249,715, vegetables £227,000, grapes £135,000, wheat £118,000—was three times higher than that of ten years previously—but only half the volume. Despite the high price of agricultural produce, the high cost of labour has made it prohibitive for the farmer to employ labour. Even farmers' immediate dependents may earn more in the reconstruction works. The minimum wage in 1937 was 21s a week; it is now 66s a week.

And also in the field of agriculture comes the water problem—with the conflicting claims of the urban population for additional supplies as housing and education spread. The rainfall is limited to an average of 18 inches a year and the storage is inadequate.

In the industrial field 9,000 personnel in H. M. Dockyard were in 1939 earning approximately £800,000. In 1949 with some difference in the number employed, approximately 12,900—the earnings were

£2,500,000 but the purchasing power of the pound had decreased by about two thirds.

As already stated there are two Governments in Malta. The elected Government of the Maltese people deals with local affairs and the Maltese Imperial Government deals with Defence matters pertaining to the Navy, Army, and Air and other Reserved Matters such as currency and Civil Aviation.

From this it will be seen that the British Defence Budget and the amount allocated to units based on Malta and to services rendered and paid for at Malta have a vital impact on the whole life of the Island.

The financial rocks ahead need no magnifying: they do need marking and circumnavigating. The first steps towards this objective have now been taken. Sir George Schuster, the noted financial expert, has come at the invitation of Doctor Boffa, Prime Minister of Malta, to provide the Government with a survey of the Island's finances and potential. It is hoped that his report will prove to a large extent to be a blueprint for future co-operation between the Malta Government and the British Government in dealing with matters pertaining to Malta's economic structure and social well-being.

### III

**S**INCE the raising of the Siege and the end of the war, an "Indian Summer" of prosperity has been enjoyed in Malta due to the armed forces—Maltese and United Kingdom alike—which were besieged there. Over £12,000,000 were saved and invested in Defence Bonds. Secondly, full employment for all men and women throughout the Siege—and nothing whatsoever to buy over a period of duress, save the produce of the farms. Admittedly, livestock was slaughtered for it could not be fed, the siege prices were high and the live wealth became "dead capital" in the farmers' hands. Add to this position the post-war expenditure of the War Damage Fund. The total of this Fund

is £30,000,000 of which £14,500,000 have been spent in rebuilding and reconstruction, to date.

A total of over 30,000 buildings in all suffered damage of which a third required rebuilding from their very foundation. In other words, buildings previously representing the capital of decades of savings and self-denial have been reconstructed out of War Damage Funds in the last few years to the tune of £14,500,000 along with the road construction, providing not only a wage fund for the people but Customs Revenue for the Government out of all proportion to any prewar standards or possibilities.

Nevertheless, a large but limited income class of investors in real property suffered hardship and are still suffering. With the damage to property, rents ceased and the housing situation became very acute but the War Damage contribution of 2s in the £ continued to be levied. Hence there is righteous annoyance when in ignorance of the fact the War Damage Grant from Britain is referred to as "gift". It is not. It is "reparations" paid by Britain for enemy action to the people of the Islands who bore arms in a common cause.

Out of a total of 27,500 owners of developed urban property, some 20,000 own only one or two tenements. The average rental value per tenement in 1939 was £10.17.8 a year capitalised at  $3\frac{1}{2}$  and valued at eight million. Some 2,000 persons own seven or more tenements. The Government of Malta itself and His Majesty's Government of the United Kingdom own or have a legal interest in about a third of the property, urban and rural, and the Church owns one sixteenth. With the recent imposition of heavy succession and donation duties the Government which accepts property in payment of tax may at a future date own all the land—but property will not support or feed Malta's growing population whoever owns it. Malta is largely a socialised state with the Government owning the electric light and water concerns, supplying free road, free Police, free education and, to a large extent, free medical service to the people.

Malta, to the credit of all, passed from Crown Colony rule back to responsible government after the war and the elections returned a Labour Government. Income Tax has been introduced and migration of thousands of persons to Australia, Canada and the U.S.A. is in progress. However, just as England is endeavouring to recover with Marshall Aid, Malta is reconstructing and rebuilding with the War Damage money replacing what she possessed in 1939 in the way of houses and chattles. But what is vital is that the population cannot be maintained at its present level or standard when the War Damage Fund expires. A new electrical power station, more modern than that erected in 1890, and additional water storage are first essentials. Time, even if American dollars are allotted for the erection of a modern power station, without which even light industries cannot work, is already an enemy.

#### IV

**H**ENCE Doctor Boffa's Government's agreement with the British Government regarding Sir George Schuster's survey is a sincere effort by both Governments to establish a responsible modus operandi: it may save the Constitution, it may not. For the point arises in a situation such as faces Malta: can responsible politicians get elected on a "popular vote"? One side promises heaven and earth to the electors with the limited resources of Malta itself and other people's money, along with an appeal to all discontents and former advocates of a change of flag—to agitate against Britain for any failure to produce the millennium. Then alternatively, responsible politicians produce the hard facts, facts circumscribed by geography and external influences, and say bravely that those who would live better and those who think of their children's future must migrate to the Dominions and do so before the "Indian Summer" ends.

And it is just because there are two governments in Malta that the problem of government spending and taxing is

mutual to Britain and Malta in the Fortress of Malta. Britain and the Dominions are interested in defence and cannot remain indifferent. Nor can Malta overplay her hand and become too costly to maintain. If this happened no industry or "services rendered" would prevent her reverting to the level of the Ionian Islands.

But emigration is not itself a solution but only an easement of the problem that faces Malta. Neither is a return to Crown Colony rule. Emigration brings up problems such as the ratio between skilled and unskilled migrants and the effect of too many skilled migrants leaving being a later cause of local unemployment of unskilled men for lack of technicians. This is a possibility in H.M. Dockyard where the cream of the Maltese Labour is apprenticed and employed. An adequate pension scheme which means a large increase of "establishment" in the Dockyard would help this but again it becomes a question of the British Defence Budget and of the Commonwealth's general Policy.

The desire of the people of Britain's Colonial Empire and Protectorates to copy the "Welfare State" of Britain with the money of the Welfare State, not their own, but in addition to their own, is a present day phenomena. Malta is no exception. In fact, she largely leads in this race to disaster—expending her own "accumulated capital of centuries" represented by the War Damage Fund, in a standard of living and social services it is impossible to maintain, be it recurrent income or earnings. Increased taxation for Government far beyond any level of possible permanency is a feature of the Malta budget. The cost of the subsidy on bread (flour, paste) for 1949-50—that is, before devaluation—amounted to £580,000. The subsidy on these essential commodities for 1950-51 will be £950,000—the difference of £370,000 being due to the effects of devaluation. This shows the extent, in one instance only, to which action taken by the Imperial Government affects the dependent Colonial Empire. Only a drop in the world's wheat prices can ease the Government's headache on this score.

A desire for self-sufficiency is laudable but impracticable. The position is accentuated without adequate water supplies, without modern dock facilities for handling imported raw materials or re-exports, if such existed, without adequate technical schools and insufficient secondary and primary schools—the theory of self-sufficiency and the pursuit of the standards of the Welfare State will end for Malta like the man who achieves his goal of self-sufficiency as he pulls down the lid of his own coffin. Only a return by both the Government and individuals towards the more frugal, hardworking, self-denying standards of their forefathers can save those who would stay in Malta and Gozo, two Mediterranean Islands with a total of 120 square miles.

## V

**T**HERE is, however, no reason to cry Kismet but there is every reason and a very urgent one to cry halt and look ahead. Hence the Colonial Office attitude that the emergency has not yet hit Malta is resented although it may be true: it is nevertheless just around the corner. Co-ordination of the financial commitments of Britain and Malta in Malta is essential regardless of who governs—the task is not easy.

The first step to ascertain what these are or should be has been taken by Malta's Prime Minister, Dr. Boffa, in requesting the assistance of a mutually acceptable expert whose responsibility is great. Malta is, in fact, a microcosm and stands in relation to Britain very much as Britain does to America—both in matters of strategic value and financial difficulties, and the high cost of her own goods bears heavily upon a possession such as Malta so entirely and inevitably dependent on imports from the sterling or dollar areas.

Malta has harbours and aerodromes, a naval dockyard adaptable for merchant-ship repairs, sunshine and history of value to a tourist industry and the modern first-class Hotel Phoenicia, completed since the war. The first requirement of the

Tourist Industry is, however, cheap air travel and the restoration of sea communications—both yet to be achieved.

Malta has excellent manpower, a great potential wealth and a great potential liability to Malta but of great value to the Commonwealth, and Australia has been foremost in recognising this and has given the Malta Government pound for pound in assisted passage money for migrants. The Dominion of Canada has also paid assisted passage money to specially selected Maltese migrants and it is the Dominions' recognition of Malta's part in the last war in which Malta's hope largely lies. The Island, regardless of the Atomic Age, is still the strategic key of the Mediterranean that Lord Nelson recognised and history proved. The Dominions are in part relieving Britain's

liability in this respect by their forward migration policy but this cannot be short-termed or haphazard. The issue, for all concerned, is vital and must be dealt with at the highest level. Successful emigration requires educated migrants and one of Malta's crying needs is adequate funds for both primary and technical education.

Conscription during the war, assisted by service conditions and Army instruction helped in raising the standard of education and many conscripted men benefited thereby. They are the successful emigrants of today, their education having been indirectly provided by British funds.

In conclusion, Malta G.C. is not self-sufficient and never can be, but "Our deeds travel with us from afar and what we have been makes us what we are."

