

MEMORANDUM FOR CABINET BY THE HON. MINISTER
OF COMMONWEALTH AND FOREIGN AFFAIRS

Application by the United Service
Organizations Inc. to open a Club for American
Servicemen

The Embassy of the United States of America has informed the Government of Malta of the intention of the United Service Organizations to open a facility in Malta.

The United Service Organizations Inc. (USO) is a non-profit making charitable organization chartered and funded entirely through charitable institutes in the United States. It operates over 180 clubs throughout the world.

The facilities to be offered locally by USO are: a small snack bar; recreational facilities consisting of film shows, indoor games, reading and music; and the provision of an information service. No alcoholic drinks or beer will be served on USO premises and all supplies of food and drink will be purchased locally. The Club will be available free to all members of the United States Armed Forces and their dependants visiting Malta. The USO has rented premises at the foot of Princess Melita Road, Pieta, and has applied to the Commissioner of Police to register as a Club.

The United States Embassy has requested approval for the free importation of the equipment which USO has obtained at greatly reduced prices in the United States, and of equipment from its other Clubs in Europe. It has also requested duty free importation of the personal effects of two or three American employees of the Club. Payment of the appropriate Customs duty will be made if these items are eventually sold locally.

U.S.O. has also requested the free issue of licences to operate their Club.

The duty free importation of the Club's equipment could be allowed under Section 14 of the Import Duties Act of 1964 which empowers the Governor-General to admit into the island any goods free of duty and this section would have to be invoked if it is decided to accede to U.S.O.'s request.

The establishment of a U.S.O. Club raises the question whether it would prejudice the interests of certain sections of the business community, such as snack bars, other clubs and places of entertainment, and also whether it would affect adversely the income of Government revenue under the form of entertainment duty, tombola tickets, etc.

The Ministry of Commonwealth and Foreign Affairs sees no objection to the granting of the Embassy's request in view of the large number of U.S. Military and Naval

/personnel

personnel who may be expected to visit Malta. It is considered reasonable that they should have their own club ashore which in this case will be non-alcoholic. The facilities asked for would be less than those accorded under the Defence Agreement to "authorized service organizations" of the British Forces. This Ministry feels that the U.S.O. Club will have a very limited adverse effect on local bars, clubs and places of entertainment, and will, on the other hand, provide employment for local personnel.

The Commissioner of Police is not in favour of granting exemption from payment of the licence for the operation of the Club. Such exemption is granted only to religious clubs. This fee amounts to £120 a year and is based on the annual rental value of £2400. It may be argued that if U.S.O. is prepared to pay £1200 per annum in rent it should also pay the usual club licence fee.

Hon. Ministers are invited:

- (a) to agree to the duty free importation of club equipment;
- (b) to agree to the duty free importation of personal effects of up to three American U.S.O. employees; and
- (c) to decide whether the Club should be exempt from the annual club licence fee of £120.

15th April, 1967.