

MEMORANDUM FOR THE CABINET BY THE  
HON. A/MINISTER OF ECONOMIC PLANNING AND FINANCE

Holding of Lotteries and other  
small games in clubs

Beland Band Club of Zejtun have complained about what they regard as the 'unfair competition' they are experiencing as a result of tombola sessions being run by a political club in Zejtun. The gist of their complaint is that the Band Club's tombola sessions have in recent years been one of the main sources of the Club's revenue and, to the extent that 'rival' sessions now being run by the political club in the same area have managed to draw some of their customers away, the proceeds of the Band Club's tombola evenings have dropped off. The Band Club argues that the Lotto Department should refuse applications for tombola tickets from this and other political clubs in future, and their 'case' for this proposal is that the Band Club is fulfilling an important civic and educational role and must therefore, be enabled, in the public interest, to earn the revenue needed to sustain its activities.

2. It is difficult to support this petition. In the first place the Band Club must realise that they have no particular right, under Lotto law or on any basis of rational and unbiased argument, to claim a monopoly of tombola activities in its particular area; and in so far as it seeks to exploit the point that the Band Club is providing a useful social and educational service to the community it would be as well to recognise that Band Clubs generally have already been assisted by Government, precisely because of the special position of Band Clubs in this respect, by the provision of Lotto Offices which give them valuable income, as well as in other ways. In the second place it is a fact that, although Lotto law allows the Director of Public Lotto to use discretion in the issue of tombola permits and tickets, discrimination between one sort of applicant and another has never in practice been exercised. To start discriminating now would therefore be both incompatible with traditional practice and inadvisable from a revenue point of view in so far as valuable income accrues to Government from the sale of duty paying tombola tickets.

3. The Financial Secretary submits that Beland Band Club should be replied to by him in the sense that their petition has been considered, but that Government feels it would not be justified in denying clubs other than Band Clubs the opportunity of conducting tombola sessions, simply in order to protect the revenue interests of Band Clubs. It could be added that Band Clubs are already being helped substantially by Government;

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(i) to the extent that they have been given lotto office facilities which are of course very rewarding in terms of income and (ii) considering that only recently Government amended the Income Tax Act and gave Band Clubs complete freedom from income tax on the proceeds of all their activities, business or otherwise.

4. There is also another complaint by the Malta Band Clubs Association on the same subject. The considerations rehearsed above in the Beland context are equally relevant to this other complaint as well, and Hon. Ministers may wish to authorise the Financial Secretary to reply in similar terms to the Association protest.

29<sup>th</sup> May, 1964.

L-Arkivji Nazzjonali ta' Malta