

MEMORANDUM FOR CABINET BY THE
HON. MINISTER OF TRADE, INDUSTRY AND AGRICULTURE

Conversion of Loan Money into Grant

In 1954, Mr. Joseph Bugeja, a fisherman from Marsaxlokk purchased an ex-Admiralty motor fishing launch for conversion into a fishing trawler.

2. To enable him to adapt this boat for fishing purposes, Mr. Bugeja was given two loans of £2,800 and £2,010 in 1957 and 1958 respectively.

3. At the time that these loans were awarded, it was Government's policy to advance financial assistance by way of loans and grants to bona-fide fishermen for the construction or purchase of second hand 'peschereccio' type motor trawlers.

4. Mr. Bugeja not being aware of this grant policy and being unable to fork out the sum required for the conversion of this newly acquired boat, could not but accept the financial assistance approved at that time. However, having become aware of the 'grant policy', Mr. Bugeja made representations requesting the conversion of the money advanced to him by way of loan into a grant for the simple reason that the assistance given by Government was primarily aimed at encouraging fishermen to acquire larger boats to fish in distant fishing grounds and for longer periods.

5. The Ministry of Finance, Customs and Port have stated that much as they would have liked to help in meeting the request that a part of the loan received by Mr. Bugeja should be converted into a grant, it was found difficult to do so in view of the following considerations:

- (a) In the first place Finance felt that the adoption of the proposed arrangement will create awkward administrative complications because it will in effect commit them to review the conditions of concessions made in the past (by deed) whenever Government decides to introduce a new policy for the grant of financial aid to farmers and fishermen.
- (b) Secondly as pointed out by the Chief Fisheries Officer in his report to Secretary, M.T.I.A. on this matter, if they agreed to improve the terms of Bugeja's award, they shall have to give the same treatment to at least two others who have already put up a claim for a review of their contract.

6. Finance wish to point out that irrespective of

the above/.

the above considerations it will not be possible to proceed with the conversion of part of Bugeja's loan into a grant unless specific recourse is made to the House of Representatives for the release of the required funds.

7. This Ministry contends that since both types of vessels i.e. the 'Peschereccio' and 'Ex-Admiralty' Fishing Vessels were required for the sole purpose of fishing, no distinction should have been made in giving financial assistance.

8. This argument is strengthened by the fact that the boat purchased and converted by Bugeja is still most active and its performance has been and still is among the best on the Island. This proves, beyond any doubt, that although the 'peschereccio' type vessel was preferred in so far as financial assistance was concerned, the 'Ex-Admiralty' Fishing Vessel type was equally suitable for fishing purposes.

9. Hon. Ministers are therefore asked to agree that:-

- (a) Part of the loan money advanced to Bugeja be converted into a grant;
- (b) That this amount should not exceed £962 representing 20% of the amounts of £2,800 and £2,010.

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5/11 JUNE, 1970.