

MEMORANDUM TO CABINET  
BY THE HON. M.E.P.F.  
Loans and Grants to Fishermen

Pending the investigation by the Fisheries Adviser to the Colonial Secretary into the progress of the fishing industry, following the introduction of trawlers, the operation of the loans and grants ~~made~~ to fishermen was suspended in 1958/59 and the balance of £55,000 (£22,000 C.D.W. Funds and £33,000 Loan Funds) earmarked for this service in Development Plan was not utilized.

2. The Fisheries Adviser to the Colonial Secretary visited Malta in January, 1961 and in his report recommended that with the funds available two more trawlers should be added to the existing fleet, subject to the negotiation of new agreements between the owners and the crew, as an inducement towards bringing in larger catches. The Fisheries Adviser's recommendation was considered by the Malta Government and on the basis of the performance of trawlers in the 1961 trawling season when compared with the 1961 landings, it was agreed that Dr. Hickling's report should be implemented.

3. Though an initial improvement in the catches was made in the 1961 trawling season on those of 1960, the performance during the current year has been very discouraging. During the period January/April of this year, catches went down to 1,348 cwts. - a drop of 1,328 cwts. on the 1961 figures. This position pointed to the need of undertaking a review of the whole position as it was thought that it would not be advisable to finance additions to the present trawler fleet until a stable improvement in their fishing efforts became apparent.

4. Trawler fishing has been found to have its drawbacks. It requires a substantial capital expenditure and high costs of operation. The larger type of trawler can operate in all seasons, but it is not manoeuvrable for pelagic fish between May and December - during this period fishing by smaller trawlers can be carried out but the return from catches would not be profitable in view of the abundance of the more popular type of fish caught by the other craft, which is sold at highly competitive prices. On the other hand, the small type of trawler costing about £14,000 cannot venture far, its range of operation being limited owing to size - indeed, it is the same as that of the medium-sized craft, costing about £4,000. There is, therefore, no economic advantage in investing in the smaller type of trawler in preference to the medium-size craft. However, it is essential that the present trawlers be provided with the necessary equipment to enable them to operate on a larger scale.

5. The question of poor landings during the winter months will remain the main problem facing the local fishing industry, even though the performance by the trawler fleet might show signs of improvement. The only solution would appear therefore to be the increase in the number of medium sized craft, which, along with the trawlers, produce the winter catches.

6. It is accordingly proposed that the assistance to fishermen in the amount of £55,000, which is available for loans and grants to fishermen under the current Development Plan, should take the following form:-

- (1) The construction of craft, over 30 feet in length, suitable for winter activities, such as pot fishing, long end anchored lining, and sufficiently versatile to be also able to engage in lampara (puree-saine) and kannizzati (corephone) fisheries;

/(2) The ...



- (2) The purchase of equipment, such as nylon netting (purse-seine, "lampuki", trammel, gilling nets and tuna tangle net), echo-sounders, radio-telephones and other improvements, such as the introduction of nylon parts in the Mediterranean trawl net, long line winches, etc.;
- (3) The replacement of petrol/paraffin driven engines by diesel engines.

#### CRAFT

7. The fishing boats that can venture out when it is not possible for fishing operations to be undertaken by small vessels, should be at least 30 footers or over - the bigger the boat the greater the range. Of these there are at present about 40 and their winter operations consist in bogue-pot fishing, demersal long-lining and anchored lining. Their contribution this year from January to April totalled 2,947 cwts. or some 73.5 cwts. per boat. The crew for this type of fishing is 4 men and the catches they make provide sufficient incentive to keep these men in the industry and, given the necessary financial encouragement, to invite others to engage in the trade. This is primarily due to the fact that the cost of the required equipment is not prohibitive and that the exploitation of the off-shore rock-bottomed grounds within reach of the Island where this type of craft can operate efficiently, give indications of room for improvement.

8. After the winter months this type of boat can switch over to "lampara" (purse-seine) for the anchored season, lasting to the end of July/August, following which they engage in "lampuki" (dorado) fishing up to December. In these two fishing seasons a boat of this type employs 12 and 8 men respectively, making an average of 8 men per unit for a whole year. With an initial addition of about 10 of these units it would be possible to absorb 80 fishermen in the industry. In addition, ancillary employment will be generated in other sectors, particularly in the boat building industry.

9. A 30-foot "luzzu" - the characteristic Maltese fishing boat - equipped with the required engines, is estimated to cost about £3,750.

#### QUIBANT

10. Of the vessels in the trawling fleet there are a few which require improvements in their refrigeration units and others which so far are not equipped with essential and modern equipment, such as echo-sounders and radio-telephones. These boats are still finding it difficult to operate at a profit and their owners cannot go for the required expense. It is therefore considered that a little encouragement in this direction would help them surmount their difficulties. There are other fishermen who would purchase "lampara" (purse seine) and other nylon netting if given financial help. This equipment is used in operations for polemic fish which is in great demand. Any substantial increase in landings of this type of fish would, besides bridging the gap between the supply and demand, eventually encourage the setting up of ancillary industries, in the form of canning or fish-meal plants. The provision of this equipment is therefore worth encouraging.

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11. It is accordingly proposed to allocate a maximum of £11,500 for the following improvements:-

Refrigeration equipment, nylon netting, echo-sounders and radio-telephones.

MARINE ENGINES

12. The change-over of petrol/parraffin to diesel engines is considered to be of substantial benefit to the fishing industry. The complete changeover is a long overdue necessity, but it is proceeding far too slowly for its translation into increased landings to be felt. It is obvious that a fisherman having his craft operated by a diesel engine (which is more economical to run) would be encouraged to spend more time at sea and this in turn would be reflected in higher landings of fish.

13. It is therefore proposed to allocate a maximum of £7,000 in the form of 40% of the cost of a diesel engine to those professional fishermen who turn over to diesel. This is designed to accelerate the complete switchover to diesel.

14. The assistance scheme will operate as follows:-

	Loans	Grant	Contribution by applicant
Craft over 30 feet	50%	30%	20%
Equipment (up to a maximum of £11,500)	50%	20%	30%
Engines (up to a maximum of £7,000)	-	40%	60%

Applications for assistance will be considered by the Loans Commission constituted under the Agriculture and Fishing Industries (Financial Assistance) Act, 1956 in accordance with the provisions of Government Notice No. 19 of the 30th December, 1958, copy of which is attached. It will be noticed that the rate of interest payable on loans made under the proposed scheme will be 1% per annum.

15. The loan element of the scheme (£33,000) will be financed from Loan Funds under the Development Plan. As to the grant element (£22,000) an application will be made to the Colonial Office for the release of a C.D.W. grant out of the allocation made available under the Plan.

15th January, 1963.



[No. 197

THE AGRICULTURAL AND FISHING INDUSTRIES  
(FINANCIAL ASSISTANCE) ACT, 1956  
(No. II of 1956)

Arrangements for provision of Financial Assistance

IN exercise of the powers conferred by section 3(1) of the Agricultural and Fishing Industries (Financial Assistance) Act (hereinafter referred to as "the Act"), I hereby approve the following arrangements for the provision of financial assistance in accordance with the Act.

1. The Director of Agriculture, the Assistant Treasurer and the Director of Fisheries and the Crown Solicitor shall constitute a Commission to consider applications for financial assistance under the Act. The Director of Agriculture shall be the Chairman of the Commission, and shall nominate an officer of his Department to act as Secretary of the Commission.

2. Applications for financial assistance under the Act shall be made on a form approved by the Commission which shall be sent to the Secretary of the Commission at the Department of Agriculture, 53, Archbishop Street, Valletta.

3. Only British subjects permanently resident in Malta or its Dependencies shall be entitled to apply for assistance under the Act.

4. Applicants for financial assistance shall furnish to the Commission such information and evidence as the Commission may require for the purpose of considering the application.

5. Financial assistance under the Act shall only be given on the recommendation of the Commission with the approval of the Governor or an officer nominated by him for the purpose.

6. Any agreement relating to the giving of financial assistance under the Act shall be made by a private writing or by a notarial Deed as the case may require, and shall be executed on behalf of the Government of Malta by the Director of Agriculture, the Director of Fisheries, or the Senior Administrative Officer of the Department of Agriculture who are hereby authorised to act in this behalf.

7. Financial assistance under the Act may be given subject to such conditions, agreements and obligations imposed upon or undertaken by the recipient as the Commission may advise. Such conditions and obligations shall include an undertaking on the part of the recipient:-

- (a) to repay any loan together with the interest thereon in accordance with the terms of the agreement;
- (b) not to sell nor dispose of in any other manner, the property in or the possession of anything acquired or improved with the aid of a loan or grant without the previous consent in writing of the Governor before the loan is completely repaid or, in the case of a grant, during such period as the agreement may prescribe;
- (c) to maintain anything purchased or improved with the aid of the financial assistance afforded, in proper order and condition to the satisfaction of the Governor, and to allow any person authorised by the Governor to inspect such thing at all reasonable times;
- (d) in the event of the recipient failing to comply with all the terms of the agreement with the Government entered into by him in respect of the financial assistance afforded, the total amount of such assistance shall become repayable to the Government immediately.

8. Loans made under these arrangements shall be repaid as follows:-

Up to £1,000 within a maximum period of 5 years.

Over £1,000 and up to £3,000 within a maximum period of 7 years.

Over £3,000 and up to £5,000 within a maximum period of 10 years.

Over £5,000 and up to £10,000 within a maximum period of 15 years.

Over £10,000 within a maximum period of 20 years.

9. The rate of interest payable on loans made under the terms of these arrangements, shall be at the rate of 1% p.a.

30th December, 1958.