

Memorandum submitted by the Hon. Minister
of Agriculture, Power and Communications
on the policy to be followed in granting
aid to Agricultural Industries.

There have been some cases where applications for Government assistance in respect of agricultural expansion in producer schemes based on a large scale, have been put to the Aids to Industries Board. The Board, having considered these applications, apparently decided that they should not deal with agricultural producer industries and all such applications were accordingly referred to the Loans Commission of the Department of Agriculture.

Funds to meet large schemes of this nature are not available under the Agriculture and Fishing Industries (Financial Assistance) Act 1956, and it was suggested to the Hon. Minister of Industry and Tourism that he should either arrange for such applications to be dealt with by the Aids to Industries Board or that he should recommend to Government that the necessary approval be obtained from the Secretary of State to divert certain moneys available under the Aids to Industries (Emergency) Ordinance 1959, to the Loans and Grants Scheme.

Since, however, the Loans Commission, in so far as agricultural applications are concerned does not deal with requests exceeding £2,000 or £3,000 it would be more appropriate that applications of a certain entity, still to be decided upon, should be dealt with by the Aids to Industries Board, since

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these can be truly classified as Agricultural Industries and are likely to make a significant contribution to the economy of the Island. ~~4~~

It will be borne in mind that these applications invariably contain a request for exemption from income tax and the Loans Commission is not empowered to make recommendations of this nature nor am I authorised to approve such requests.

Subject to details regarding the extent and form of assistance to be given I feel that these applications should be considered by the Aids to Industries Board.

I propose that Director of Agriculture, should sit on the Aids to Industries Board.

2nd March, 1963.