



(c) crown copyright

CONFIDENTIALC.(52) 269COPY NO. 6028TH JULY, 1952

CABINET

ASSISTANCE FOR BUILDING FISHING VESSELSMemorandum by the Chancellor of the Exchequer

At their meeting on 24th July the Cabinet discussed the problem of special assistance in the reconstruction of the fishing fleet (C.C.(52) 73rd Conclusions, Minute 10). It was accepted that there were serious objections both to loans at reduced rates of interest and to the idea of Government "shares". I was invited to work out a scheme for giving special assistance in the form of grants.

A scheme of grants towards the cost of building fishing boats has already been agreed in the case of owner-fishermen who go to sea as members of the crew. The arrangement will be that the fisherman receives 25% of the cost of his vessel as a grant, subject to a maximum of £4,000. I have therefore simply had to consider how this scheme can be extended to cover fishing vessels owned by Companies.

I think that it is reasonable to fix a lower rate of grant in the case of vessels which as a rule are not the property of owner-fishermen, and suggest 20%. The over-riding maximum must necessarily be a good deal higher, since the vessels owned by Companies are on the whole much bigger; I suggest a maximum of £16,000. Finally, in order to make vessels of the distant water fleet ineligible for assistance (it is accepted that they do not need it), I suggest that to qualify for a grant vessels must be of less than 140 feet in length.

The arrangements could then be summarised as follows:-

- (1) Grant at the rate of 25% of cost in the case of smaller vessels owned by working fishermen, subject to a maximum of £4,000.
- (2) Grant at the rate of 20% of cost in all other cases, subject to a maximum of £16,000.
- (3) Vessels to be of not more than 140 feet in length in order to qualify for assistance.

These proposals have been discussed between officials but the Secretary of State for Scotland and the Minister of Agriculture and Fisheries are not committed to them.

R.A.B.

Treasury Chambers, S.W.1.,

28TH JULY, 1952.