



## [Financial Assistance for Fishermen]

In the subsistence economy of the crofting communities of the West in the 19<sup>th</sup> century, there was a desperate lack of capital and because of that it was not possible for a crew to save sufficient money to enable them to acquire a boat on their own or even offer security for a bank loan. Therefore, the only course open to them was to obtain a boat through a fish-curer under an agreement to sell him the catch at a prearranged fixed price. If the profit from the fishing was reasonably good the crew would eventually be able to acquire the boat free of debt.

That system of fish selling prevailed until the early 1880s when the fishing was not very prosperous and the practice of boat crews agreeing in advance with fish-curiers for a fixed price for the whole season ceased and in 1884 herring began to be sold by auction. The new auction system entailed a greater element of risk for the fishermen because the price obtained depended on the laws of supply and demand, and it was said that the fishermen suffered from the free market system.

The Napier Commission which was appointed in 1883 to investigate conditions in the crofting communities naturally paid considerable attention to the fishing industry. They considered that the fisheries off the north and west coasts were capable of a vast extension and development as well as the construction of Piers and Harbours. They also felt that there was a need for financial assistance to be given towards providing suitable boats and gear for fishermen. The first difficulty to be overcome was the inability of the people to offer any acceptable security for a banker's loan.

Following the recommendations of the Napier Commission, a section of the Crofters Holdings Scotland Act 1886 authorised the Treasury to advance to the Fishery Board such sums as might from time to time be placed at the disposal by Parliament for the purpose of loans to fishermen in the crofting communities. That was the first time any public provision was made to provide financial assistance to crofter/fishermen to purchase boats and fishing gear.

However, the Fishery Board decided to limit the loans to three quarters of the value of a new boat and to two thirds of that for fishing gear or a second-hand boat. In no case was the loan to be greater than £312 for any one vessel. Two hundred applications were received in 1886 but scarcely any of the applicants were able to advance their proportion of the money. Subsequently the Board raised the maximum advance to nine-tenths and four-fifths respectively.

The Board recommended an interest rate of 2½% but the Treasury insisted on 3½% interest. It might have been wiser to have adopted the lower rate of interest because the terms of repayment were considered to be onerous by the borrowers.

The Board preferred to follow a policy of assisting as many applicants as possible rather than grant all the available money to a limited number of applicants, therefore their grant for any one vessel was inadequate to purchase or build vessels large enough to compete successfully with the East Coast boats. It was the usual too little and too late.

In the event the Board reported a large amount of arrears in repayments in 1889 and before the first four-year period of the scheme elapsed, the Board indicated their intentions to withdraw from granting further loans. It was felt that the scheme would have been more effective if aid was provided for a certain number of the larger and more costly boats, which would have been able to fish successfully in the outer seas.

The scheme was therefore considered to have been a failure because there was a book loss of over £7,000 of public money. From the fishermen's point of view the scheme was not devised properly. The available resources were inadequate and the individual loans were too small to be used effectively. The terms of the loans were unfavourable and the scheme was withdrawn before it had a chance to prove itself.

When the Napier Commission suggested a scheme of advancing small sums of money to a deserving class of men in adverse circumstances who were unable to keep themselves, they had in mind a social view as well as giving due regard to the development of the fisheries in the national interest. The development of the fishing served the national interest in three ways. The creation of employment, the export of fish and the training of seamen for the defence of the country.

In the event, thousands and thousands of young men and women left the Islands for the services and war work during both World Wars. It is said that the proportion of the community was in fact higher than any other part of the British Empire. Hardly a naval or merchant ship was afloat without one or more islanders being crewmembers.

The small accounting loss should not have been considered as a loss at all, but as a grant-in-aid towards a very important object, the advancement of the fishing industry and the enabling of a hard working section of the community to earn their living by their own initiative. Those who were able to clear their boats from debt were said to have continued to do well.

At the end of the 1890s the Board decided that no further advances should be made to the fishermen. In all 246 loans had been made and it was not until 1908 that efforts to recover the money ceased. Some of the boats were repossessed. In 1902 the Lewis fishermen had paid over 82% of the amount advanced to them and those outwith Lewis had paid 60%.

The Fishery Board Report for 1908 gives an account of loans to fishermen from 1886 until efforts for the recovery of the money ceased in 1908. The total sum advanced was £30,111 and the amount of principal and interest lost and written off was £7,058. If however, the interest paid by the borrowers in the sum of £3,683 is set against the Book loss and the principal considered as interest-free, there was only £2,640 of the principal not recovered. Even as it was, the scheme helped to develop the herring fishing industry and it also helped quite a number of fishermen to create employment for themselves.

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