

guarantees to assist the development of an industrial sector is not without precedent.

The banking industry accordingly stresses that a loan guarantee program (as opposed to direct lending) is required to involve the banks in the development of the industry. It envisions a program

“tailored to the industry’s unique requirements particularly in its current stage of development. Viable parameters should be established in order to provide guarantees for appropriate levels of capital and operating advances. The program should be directed to smaller operators whose financial requirements to not exceed \$1 million and it should be directed towards those able to put up a tangible level of equity, to provide a sound business plan and to demonstrate a reasonable amount of expertise to ensure favorable long-term financial prospects.”⁷

The level of loan guarantees sought by the banks, however, is not clear, but the fact that the program envisaged calls for guarantees on capital expenditures shows that the banks wish to have their risks reduced to nil. They have said they are prepared to assist in the development of such a program which could be elaborated through negotiations.

3. Aquaculture: Fishery or Agricultural Pursuit?

The Committee heard many representatives of the aquaculture industry, asking for the recognition of aquaculture as an agricultural pursuit rather than an extension of the traditional fishery. The major reason for this is that members of the aquaculture industry feel that they have not received enough support from the Department of Fisheries and Oceans, with the exception of help with scientific research. The aquaculture industry has concluded that DFO’s attitude towards it is conditioned by its mandate, which is mainly to manage a common property resource through the regulation of harvesting. The industry and most provincial governments maintain that aquaculture is an agrarian pursuit involving proprietary rights over fish.

Some aspects of this claim are valid. In addition to involving proprietary rights over fish, the industry is crop oriented and therefore parallels agriculture in production and marketing operations notwithstanding the particularly long growth cycle. However, until such time as sufficient supplies of domesticated broodstock are available, aquaculture must rely on wild stocks and their aquatic habitat to operate. Most countries do include legislative responsibilities for aquaculture with fisheries and often fisheries