

desirable that incentives be available to encourage a better quality product. Fourthly, it is desirable that there be flexibility in the choices open to individuals as to whether any particular person fishes more or less, and that this can be done in a way that is compatible with the overall limitations on the catch. Fifth, it has to be recognized that the fishing industry alone is quite unable to solve Newfoundland's unemployment and income problems; rather than entice more people into the fishery as a means of creating employment (which then requires subsidies as a means of providing these people with adequate incomes) the problems of unemployment and income maintenance must be faced directly with programs specifically aimed at these problems.

It is very difficult indeed to introduce a modified fisheries regime that would meet many of these criteria and which will also have respect for interprovincial rights, and international rights and obligations. We are convinced, however, that our recommendations go a long way toward these objectives and they make a large improvement over the status quo.

Property Rights in the Fishery

While most people and governments seem to be agreed on the need to limit entry to the fishery and to control the amount of fishing effort so as to raise real incomes in the fishery, the Economic Council believes it has devised a system of transferable property rights involving transferable licenses