necessary data on such questions so that their products can be certified for use in aquaculture. However, these manufacturers will not engage in such research unless there is a possibility of a profitable market. The industry is still relatively small and these products (especially the medical ones) will be used in such minute quantities that there is not much chance that the manufacturers will become involved. Government research has a responsibility to fill this basic knowledge gap on potential contaminants, deficiencies in feeds, biologics, etc. on a generic basis which would focus on the active ingredient contents of trade-mark products.

Other areas requiring government regulation and research are the effects of aquaculture on the environment and the effects of these environmental changes on the health and production of both wild and pen-reared stocks. This requires mandatory environmental data monitoring programs, public liability insurance and substantial site clean-up bonds as conditions of tenure. Industry participants have stated that they recognize the need for environmental controls and that they can benefit from them. They fear, however, that the results of some studies will result in the selection of aquaculture areas far removed from population centres; this would create problems for the industry in terms of access to supply and services. As well, the closer the industry is located to densely populated areas with high use of resources for recreation, the more stringent pollution controls regulations will have to be; this would entail higher operating costs. It can only be emphasized that in selecting areas for aquaculture purposes through coastal resources surveys, the environmental loading capacity must be identified and used as the primary criterion. Secondary criteria would include such things as resources-sharing with other users. It is clear that to minimize the opposition of other resource users to aquaculture development the density of farms must be kept low and their visual impact minimized. In addition, a control of the density of farm units is likely to be found to have a positive effect on pollution levels and fish health.

2. Financing the Industry's Development

a) Industry Financing and Capital Requirements

The Canadian aquaculture industry is in desperate need of working capital loans. For example, the capital requirements for the development of the salmon farming industry in British Columbia alone are estimated to be above $100 million over the next two years. Of this amount, over $20 million could be required simply to cover feed costs, the farmers' largest single operating expenditure, representing possibly up to 40% of total