

this technical problem. There are many such cases across Canada where technological development will address problems specific to certain areas.

The Committee and the industry do not, however, favour the implementation of legislative restrictions and policies on size and ownership, for regional development purposes. In Norway, such policies have led to disease and environmental problems. Rather, it believes that aquaculture can be made to contribute to such development through proper incentives to develop each region's particular opportunities. Although size, location and ownership restrictions have the advantage of shifting to industry the burden of achieving certain policy objectives, the government must still bear the cost of ensuring the restrictions are enforced. Incentives, on the other hand, imply a cost to government but leave the industry relatively free to develop as it wants; this is especially valuable during the take-off stage of an industry. It is important that the industry be able to operate without unnecessary restrictions which could either impede financing or prevent the industry from achieving optimal economies of scale.

The Committee believes that the cost to government of providing financial incentives can be kept to a minimum by following certain basic principles. Given that some forms of aquaculture such as salmon farming are an expensive proposition, financial assistance must be directed to those most in need of it; that is, the small entrepreneurs who have difficulties in obtaining financing and who will be running small owner-operated businesses. Both the Norwegian and Scottish models of development have shown that aquaculture can be successfully carried out at the small-business level once the costs of entry into the industry have reached a reasonable level. The Committee is concerned that without assistance, the industry could become dominated by large and/or foreign corporations. Also the level of financial assistance should be proportional to the need for economic stimulus in a particular area; this has been done in both Scotland and in Norway. Simply put, there would be locational incentives similar to those used in the Industrial and Regional Development Program. These would reinforce the natural tendency of aquaculture to develop outside areas that are heavily developed or populated, since it needs a relatively pollution-free environment. As a complement to regional development objectives, particular consideration should be given to coordinating aquaculture development policies with programs that seek to reduce excess capacity in the harvesting sector of the fishing industry: e.g., "buy-back" programs could facilitate the movement of fishermen from fishing to aquaculture or "feed-lot" rearing of seasonally available marine fish.