

(4) Canada's beef trading patterns have become distorted in the past eight years. Imports now comprise a larger share of our markets to the detriment of Canadian producers. There must be a return to a more normal balance between domestic production and imports.

(5) Beef prices in Canada will have to rise if a viable industry is to be maintained. However, import restrictions should not be used to create unreasonable prices for Canadian consumers.

(6) Canada must develop an import policy based on domestic realities and seek changes in international trading agreements, such as the General Agreement on Tariffs and Trade, which recognize the special problems of the industry and the destabilizing effects of the present agreements.

The beef industry in Canada is a vital element of our economy; it provides many jobs and considerable side benefits to related service industries. Beef production provides effective utilization of marginal farm land and agricultural crop residues. As a nation, therefore, we cannot afford to become overly dependent on other countries for this important foodstuff.

In the late 1960's and early 1970's Canada passed through a series of economic conditions which caused her to become a net importer of beef. The Committee feels this situation is unrealistic and believes that with the proper policy incentives, Canadian producers can recover some of this lost market share.

A complex set of international forces resulted in the harmonization of world beef production and the creation of surplus beef supplies in all the major exporting countries during the past four years. Throughout this period Canada did not have a consistent beef import policy, and we experienced a series of short term aberrations with most of our trading partners. The excessive levels of Oceanic imports in 1976 illustrate that Canada is presently poorly equipped to regulate foreign beef imports.

Our relationship to the United States has changed to the point where we must assess its impact on our market. Our industries are different even though they are presently closely linked. Canadian producers are at a distinct cost of production disadvantage compared to Americans in both the production of feeder animals and the finishing of slaughter cattle. These are the realities which must be recognized in establishing our trade policy with the United States.

The welfare of Canadian consumers is of the utmost concern to the Committee. During the past three years beef prices have been depressed, indeed beef has been a bargain. The price of beef should be restored to a