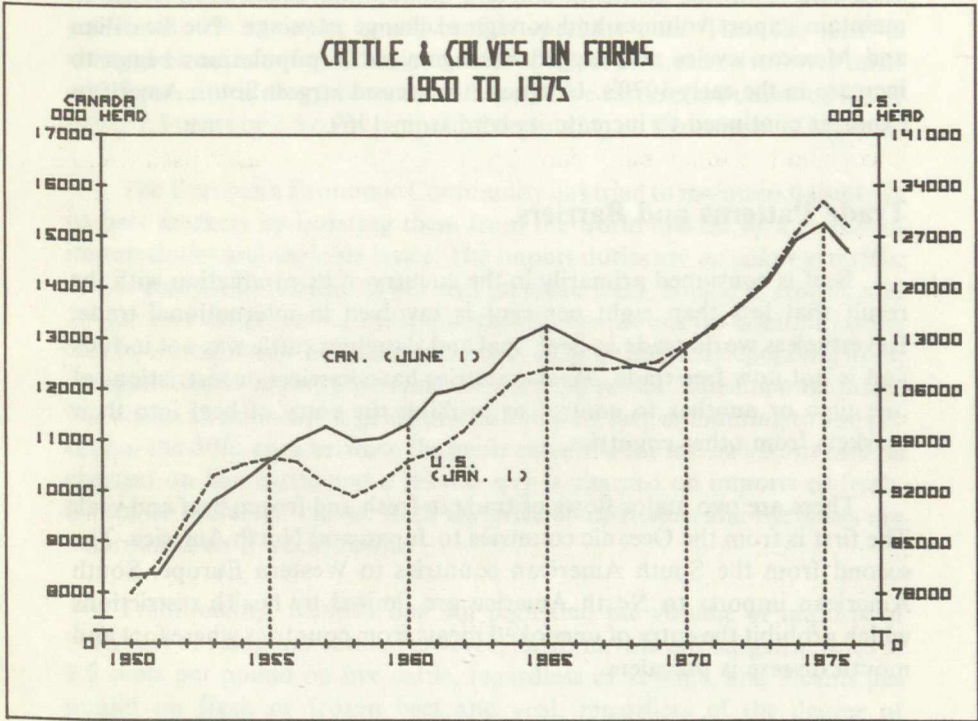


FIGURE I



Source: Agriculture Canada, Economics Branch.

actions integrated the European beef industry to a high degree and set it on a course of expansion.

Western Europe and North America while major producing regions are the greatest importers of beef. South America and the Oceanic countries are the major exporting regions. The beef industries there were also in an expansionary phase which contributed to the harmonization and development of the world cycle. In 1969, the New Zealand government initiated an incentive scheme to increase dairy beef output and to diversify the sources of farm income. Several years earlier Australian producers had reacted to the relative changes in the prices of wool, mutton and beef by increasing their cattle herds. As a result, the national cattle population rose by some fifteen million to over thirty-three million between 1967 and 1976.

Synchronization into a world cycle was not complete for the cycles of some Latin American countries lagged behind these of North America, Western Europe and Oceania. For example, the cycle in Argentina only climaxed in 1969; meat output rose and prices fell. By 1971 declining meat