

If Canadians chose to import all their beef from the cheapest possible source they would perhaps have a less costly product on their table but the consequences would be disastrous. To import 100 per cent of Canadian beef and veal consumption in 1976 would have cost \$1.8 billion. This would seriously affect our already sagging trade balance and since there would be no domestic beef industry, it could mean a 12 per cent or \$11 billion reduction in economic activity in Canada. For these critical economic reasons alone Canada must maintain a strong beef industry.

The beef supply and demand situation of the late 1960's and early 1970's was an abnormal occurrence based on a peculiar combination of circumstances. It was due in part to international agricultural commodity fluctuations and North American and Canadian economic conditions. The vital question, however, arising from this brief analysis is whether or not there should be a return to a more normal pattern now that the Canadian industry has had time to adjust to these dramatic changes? Should foreign imports be allowed to force Canadian producers to accept a permanently lower share of the Canadian beef market? The Committee has concluded that Canadian producers must be given the incentive to regain a larger share of our market and to move closer to the normal trading and production patterns which existed prior to 1969.

Canada cannot produce beef as cheaply as the Oceanic countries or in fact as cheaply as the United States, but given the opportunity to change and adapt their industry Canadian producers can provide beef of any type in an efficient manner and at a reasonable price to consumers. This, of course, does not mean the suspension of foreign beef imports, because up to certain levels imports are necessary to completely supply our market. It does mean, however, that these imports must be regulated in a manner which allows Canadian producers to adjust to recent changes and also have confidence that imports will not affect the stability and character of the industry as they have seriously done in the past.