

production and high prices caused the government to intervene by curtailing domestic consumption and stimulating cattle production to maintain export volumes and foreign exchange earnings. The Brazilian and Mexican cycles also lagged but again cattle populations began to increase in the early 1970's. Uruguay, the second largest South American exporter continued to increase its herd from 1969.

Trade Patterns and Barriers

Beef is consumed primarily in the country of its production with the result that less than eight per cent is involved in international trade. Nevertheless world trade in beef, veal and slaughter cattle was not in 1969 and is not now free trade. Most countries have barriers or restrictions of one type or another to control or prohibit the entry of beef into their markets from other countries.

There are two major flows of trade in fresh and frozen beef and veal. The first is from the Oceanic countries to Japan and North America. The second from the South American countries to Western Europe. South American imports to North America are limited by health restrictions which prohibit the entry of uncooked meats from countries where foot and mouth disease is prevalent.

There are also quantitative barriers to trade such as tariffs and quotas. Japan stringently controlled the entry of beef throughout the 1960's even though demand was increasing very quickly as a result of the "economic miracle." Even when this market was opened up in the early 1970's (the annual quota increased from 19,000 tonnes in 1968/9 to 160,000 tonnes for 1973/4), the government tried to ensure that beef was bought at the cheapest price possible by both the private trade and the government import agency.

The United States has limited access to its markets through its *Meat Import Act* and its *Agricultural Act*. Under section 204 of the latter the United States negotiates bilateral agreements with its trading partners which provide for the voluntary restraint of exports of beef, veal, pork and other meats. Such agreements are possible because the *Meat Import Act* provides that import quotas must be calculated and that action to restrict imports must be taken if they exceed the quota levels by more than 110 per cent. The quotas are calculated on the basis of the historical level of imports in the period 1959 to 1963 and on the change in American beef production since then. The Act also provides that the President may suspend the quotas in the interests of national security or for the provision of adequate supplies.