

not apparently have the desired results as Oceanic beef continued to enter at prices more than 6 cents below the American CIF price until November.¹

Steps were not taken to control the volume of imports until 18 October 1976 when the federal government, again utilizing the *Export and Import Permits Act*, required shipments of fresh, chilled or frozen beef and veal to have individual import permits. A global quota of 17.5 million pounds was set for the remainder of the year.

This action did not result from the recognition of the damage that excessive imports were doing to the Canadian market. Rather, it was a reaction to the imposition, on 9 October 1976, of the mandatory quotas on meat imports by the President of the United States as required by the *Meat Import Act*. The American quotas were triggered by excessive imports from areas not covered by voluntary restraint agreements. Beef and veal from Oceanic and South American countries circumvented these agreements by entering through the foreign trade zone at Mayaguez, Puerto Rico. Canadian exports of live cattle, primarily cows, and boneless beef also increased substantially. With the imposition of the American quotas, which were applied for the first time to Canada, the Canadian government was forced to react.

Beef producers in the United States have the protection of the *Meat Import Act* which requires that quotas be established and adhered to in every year, unless the Act is suspended. Canadian producers do not have similarly institutionalized protection. The *Export and Import Permits Act* is a general piece of legislation which applies to all commodities and goods exported or imported by Canada. There are no provisions which determine when or whether the control mechanisms will be utilized; their use depends upon the decisions of the federal government. The Committee recognizes that such a situation might be acceptable if the government had a clearly articulated beef import policy but such was and is not the case.

For 1977 the federal government did establish quotas for the importation of beef and veal, but it apparently did so grudgingly when it became obvious that Canada's special status as an exporter to the United States was coming to an end. Canada unwillingly took part in the December 1976 negotiations concerning voluntary export restraint agreements with the United States and entered into similar negotiations with Australia and New Zealand. The American government announced its agreements on 22 December 1976 and the Canadian agreements were announced the following day. The global quota for Canadian imports of

¹Appendix C, Table II, page 93.