Now it has been argued by some that it was the increased domestic cow slaughter, not the imports, which caused this price decline. However, when the cow slaughter in Canada for 1975 and 1976 is compared to that in the United States the percentage reductions in herd sizes are about the same: Canada, 4.4 per cent and 4.8 per cent; the United States, 3.7 per cent and 5.5 per cent. (Table IX) Therefore, it is unlikely that the large level of cow slaughter by itself should have caused the reversal in the price differential during this period. The Committee is firmly convinced that the larger than normal volume of imports which entered Canada in 1976 at very low prices had a strong depressing effect on the Canadian cow market, a market which was already weakened by producers culling their herds as a result of low beef prices and reduced milk quotas.

TABLE IX

Beef Cows on Farms at December 1st

	Canada		United States	
Year	Number in Millions	Percent Change	Number in Millions	Percent Change
1967	2.89		33.7	
1968	2.84	-1.7	34.5	+2.4
1969	2.97	+4.5	35.4	+2.6
1970	3.20	+7.7	36.6	+3.3
1971	3.48	+8.7	37.8	+3.2
1972	3.71	+6.6	38.8	+2.6
1973	3.65	-1.6	40.9	+5.4
1974	3.97	+8.8	43.0	+5.1
1975	4.29	+8.0	45.4	+5.6
1976	4.10	-4.4	43.7	-3.7
1977	3.90	-4.8	41.3	-5.5

Source: U.S.D.A., *Agricultural Statistics* (1976); *Livestock and Meat Situation* No. 213, February 1977

Statistics Canada, *Livestock and Animal Products Statistics,* 23-203; *Report on Livestock Surveys,* 23-004, January 1977

In July, the Canadian government belatedly acted to control the price of imports from the Oceanic countries; a policy producer groups had been urging it to adopt for some time. Agreements, which provided that contracts concluded after 11 June 1976 (Australia) and 18 June 1976 (New Zealand) would be written at prices CIF Canadian ports not more than 6 cents (U.S.) per pound below the price CIF American ports, were made with the governments of Australia and New Zealand. The agreements did