for Canada or the United States and would be unlikely to cause major changes in farm prices or incomes in either country. As noted earlier, the real advantages to both countries would come from the opening of third countries' markets in a movement to freer multilateral trade.

Red Meats

Of all agricultural commodity producers in Canada, it is beef and hog producers who would be most interested in a bilateral trade agreement with the United States. In both commodities, Canada is internationally competitive, protection is modest, trade flows occur both for live animals and dressed beef or pork, and the major export destination is the United States.

While this extensive trade is facilitated by low tariff walls, there are two nontariff barriers at each border. The first consists of quantitative meat import restrictions. These are, however, high enough to be generally nonrestrictive. Moreover, they rise over time, and are best interpreted as safeguard, rather than protective, measures. The second nontariff barrier, and the one of considerably greater significance, consists of the health and sanitary restrictions both countries impose. In the case of Canada, beef animals -- except for slaughter cattle -- imported from the United States are generally subject to quarantine and on-farm testing for brucellosis, tuberculosis, bluetongue, and anaplasmosis. During part of the year, feeder cattle may enter Canada less restrictively. Live hog imports, however, are effectively prohibited due to the existence of pseudorabies in the United States. For their part, U.S. restrictions involve veterinary certification of imports of beef and veal into the United States. Although imports of live animals from Canada are generally unaffected by such technical barriers to trade, the recent refusal by some states to allow entry of Canadian live