

during a period of recession. All the importing countries, including Canada, made adjustments although in the latter period the particular reasons varied somewhat. The adjustments and their effectiveness varied also, some were drastic, others were long-term and still others were abandoned too soon.

There was a relatively consistent pattern of behaviour by importing countries during the period 1968 to 1973. It was towards allowing imports greater access to the domestic market (Tables VI and VII). The tremendous increase (842 per cent) in quota allocation by the Japanese government has already been mentioned. The Americans, although they negotiated voluntary restraint agreements in each year, suspended the provisions of the *Meat Import Act* in 1971, 1972, and 1973 to encourage additional imports. The European Economic Community lifted its trade restrictions on beef during the first three quarters of 1973 to encourage imports and satisfy demand at a time of declared scarcity. Even Canada took steps to reduce the impediments to the importation of beef during this period of rising prices. The federal budget of February 1973 provided for the removal of the tariffs on beef (3 cents per pound) and live cattle (1.5 cents per pound).

This trend towards freer and greater international trade in beef suffered its first reversal in the North American market as governments implemented policies to bring the general inflation under control. In the United States as part of its continuing income and price controls program, the government, in March 1973, imposed a ceiling on retail meat prices which effectively froze the live cattle price. As the ceiling did not apply to imported meat or imported live cattle the flow of these increased significantly when American producers began to withhold their cattle from market in the anticipation of even higher prices when the freeze ended in September.

The producers' hopes were not realized for when the ceiling was lifted there was a flood of cattle onto the market and prices tumbled. The considerable export demand for Canadian beef during the freeze had set the Canadian market at a slightly higher level. The American flood started to flow into Canada, into markets unprotected by even nominal tariffs. On 21 September 1973 the Canadian government re-established the pre-February tariffs on live cattle and dressed meat signalling what was to become the new trend, the imposition of drastic trade restrictions. The nominal tariffs had little effect. Live cattle imports increased to a rate of 20,000 head per week by the end of October, roughly 30 per cent of the total slaughter, so on 2 November 1973 import surtaxes of 3 cents and 6 cents per pound were imposed on live cattle and dressed meat.