

A strong American dollar and a growing Canadian agricultural sector has led to increased trade between the two countries. In addition, the Canadian recession has made it impossible for manufacturers to rely on domestic sales.

This year Canada exported \$576,600,000 worth of farm equipment to the United States and PIMA said that "with the appropriate encouragement" this trend could continue.

The U.S. has been moving toward protectionism in other areas of its markets, and PIMA said a free trade agreement should be implemented before protectionist action takes place in this area.

**Ottawa, August 8, 1985**

**No more eggs in one basket**

Confédération des Syndicats nationaux said Canada should not move towards free trade with the United States because it would increase our dependence on a country that already "subjects us to the end of the whip if we try to get out of its economic sphere".

The Federation said Canada would face the condemnation of other trade partners if it did not increase its multilateral ties. The CSN did not think Canada should increase bilateral trade with a country with which three quarters of its trade already takes place at the expense of other countries.

The Federation said there would be many disadvantages to free trade with the U.S. In 1987, only 65 per cent of American goods would be admitted freely to Canada, while 80 per cent of Canadian goods would be admitted duty-free to American markets. Free trade would also create more unemployment and salary cuts in the manufacturing sector, especially in Quebec. The Federation