

In the first half of 1957, total Canadian imports from the United States were over \$2,136 million; while total exports from Canada to the United States amounted to only \$1,355,689,875, a gap of over \$780 million.

In the first half of 1959, however, Canadian exports to the United States had risen to \$1,416,049,925, while imports from the United States were just over \$1,902,600,000. The trade deficit in this period had fallen from \$780 million two year ago to just over \$441.5 million this year, a drop of almost 45 per cent, and this, notwithstanding the fact that quotas imposed by the United States Government in October of 1958 for the protection of the American domestic lead and zinc industry contributed to a drop of Canada's very important exports of lead and zinc ores, concentrates and metals in the same period from nearly \$29 million (\$28,906,792) to \$25,874,510, and in zinc metal alone the drop was from \$13,011,290 in the first half of 1957 to only \$7,135,396 in the first half of 1959.

Perhaps even less known than the general facts of Canadian-American trade relations is the extent of trading carried on between Canada and the American lake and mid-western states. Canadians obtain about one-half of all their purchases of United States goods from the Great Lakes' states, and since this year Canadian imports from the United States may well approach \$4 billion, you can quickly see how significant a volume of your business in Chicago is done with your northern neighbour.

Illinois is the most important source of supply for Canadians among the Lake states. Some one-fifth of the Great Lakes' area exports to Canada come from here, and indeed, about one-ninth of all United States sales to Canada are from Illinois. This state sells more manufactured goods to Canadians than any other state in the Union and, in fact, Canada buys about as much from the Chicago area alone as she does from the whole of West Germany.

On the other hand, Canada sells more to the Chicago area than to any other region of the United States. Your mills and factories here depend heavily upon Canadian supplies of industrial raw materials and semi-processed goods. Shipments of Canadian goods through Chicago and other United States mid-west ports exceed those made to any country in Latin America or continental Europe (this is, excluding the United Kingdom).

Defence Production

Canada and the United States stand in close co-operation in trade and industry, in NATO and in NORAD, and have voluntarily integrated the air defence of North America. We are now co-ordinating defence production to an extent other countries in other parts of the world would find unbelievable if they were aware of the whole story.