

business of buying goods and services from each other. Such business is really big business. In 1959 Canadians purchased \$3.7 billion of goods from the United States, while the United States purchased \$3.2 billion of goods from Canada. If we take account of payments made for travel, interest and dividends, freight, shipping and other such services, we find that Canadians paid roughly \$5.6 billion to the people of the United States, while the United States paid about \$4.4 billion to the people of Canada. The difference of about \$1.2 billion, by coincidence, is very nearly the amount which Americans invested in Canada in that year.

As a matter of fact, the total earnings from Canada by the United States in 1959 constituted approximately one-quarter (\$5.6 billion versus \$22.9 billion) of your total receipts from the entire world. In other words, more dollars move across our border in both directions for the buying and selling of goods, services, properties and investments than between any other two countries in the world. Canada is the largest export market for the United States and the most continuously large and rewarding outlet for American investment abroad. Looked at from the Canadian point of view, the United States is our largest export market by far, and provides the lion's share of our requirements for imports of commodities, services and capital. And I suspect that about a quarter to a third of this two-way trade is conducted between Canada and the area served by the Chicago region.

Effects of U.S. Investment and Competition

Our two countries both seek to expand trade with each other and with the rest of the world. As an exporting country of only 18 million people living alongside a nation of ten times our population, Canada obviously enjoys the great advantages of propinquity in trading with you. Your massive industrial economy has an enormous appetite for raw materials of all kinds, many of which you find it convenient to buy in large quantities in Canada. Many of your large corporations have made investments in our natural resource industries to ensure a steady and reliable supply of these resources. On the other hand you are able to sell an enormous quantity of fabricated industrial and consumer goods to Canada which, because of the large scale of production which is possible in a country of your size, can often be produced more cheaply than in Canada, and in greater variety. This competition sometimes makes things very difficult for our secondary manufacturing industries. Canadians would naturally like to see some of the tariff obstacles which stand in the way of an increase in our exports to the United States reduced, including some tariffs on manufactured items.

Since the United States is Canada's largest export market by far, we Canadians are the most devoted group of students of the United States economy to be found outside the United States itself. We watch the behaviour of your key economic