

in the unification of the air defence of this continent in the creation of a Joint Air Command, with an American in command and a distinguished Canadian Air Marshal as his deputy. This most significant decision is indicative of our confidence in the American nation and our recognition of our interdependence.

In the same spirit we hail the joint statement issued in Washington last week by President Eisenhower and Prime Minister Macmillan. We welcome it as a recognition of the interdependence of the free nations. In the kind of world in which we live no one country, however strong, can now stand alone. We salute the growing understanding evidenced between this country and the United Kingdom. The free West has had reason to feel insecure in the face of misunderstandings in past years. The growing proof of renewed solidarity augurs well for freedom. It will not be easy to achieve or maintain scientific superiority without a mingling of effort and understanding on the part of the United States, the United Kingdom, Canada and other faithful allies.

To this gratifying rapprochement between the United States and the United Kingdom I am sure the recent visit of Her Majesty the Queen has made a formidable and lasting contribution. Her Canadian subjects are completely devoted to her. She captured the love and loyalty of the entire Canadian nation by her charm, by her stern sense of duty and by her complete devotion to her people. It is a notable fact, not to be overlooked, that her visit to this country was in her capacity as Queen of Canada.

Trade Problems

I said I would not deny the existence of problems facing Canada. I said I would be frank in speaking of relations between Canada and the United States. Let me now proceed to speak of less agreeable facts.

Canadians are a trading people. In absolute volume, we are the fourth trading nation in the world, ranking only after the United States, the United Kingdom and West Germany. Per capita, Canadians have probably a larger share of the external trade of the world than any other nation. In volume, our external trade is running at approximately ten and a half billion dollars per annum. This remarkable achievement of 16½ million people, however, does not hide serious weaknesses in our trading position. Of that 10½ billion dollars of annual external trade, 7 billion dollars of it is done with one nation, the United States. To a disquieting degree Canada has placed her trading eggs in one basket. For years 73 per cent of Canada's imports from the world have come from the United States while 60 per cent of our exports have gone to the United States. By comparison, with our next largest customer, the United Kingdom, we do only about 14 per cent of our total external trade. From her we are purchasing approximately 10 per cent of our