

second only to New York as a national headquarters location for *Fortune 500* companies, due in large part to its location, transportation, and market advantages.

Illinois is at the centre of the nation's number one industrial market, number two consumer market and number four retail market.

In 1981, nearly 17,000 companies operated plants throughout the state, generating a gross output which exceeded \$41.3 billion — nearly 27 per cent of the full gross state product. Major industries concentrated in Illinois include: primary and secondary metals, industrial and farm equipment, electrical equipment and appliances, electrical components, and food processing and printing equipment. Illinois ranks first among all states in the production of appliances, railroad and telephone equipment, radios and televisions, tools and dies, candy, cosmetics, canned and frozen foods, and drugs. It is a leader in producing steel, heavy machinery and glass products.

Agriculture is big business in Illinois where gross farm income was \$8,807 million in 1981 while annual production expenses for feed, seed, fertilizer, livestock, labour and interest on farm debt approached \$8,050 million in 1982. Net farm income of \$1,638 million ranked fourth-highest among the states. Leading agricultural activities include soybean, corn, dairy and hogs.

There are some important changes taking place in the regional economy which Illinois leads, including major adjustments in the steel, farm machinery and automobile sectors which traditionally have been the backbone of the region's economy and the source of much employment. The 1981-82 recession hit these industries hard and their recovery has been slow, being dependent in part on lagging demand for capital goods. However, current data indicate that the overall regional economy has passed the recession's bottom point and a prognosis for steady recovery and an increasing reliance on the faster-growing pharmaceutical, electronics and services sectors is predicted.

It is important to note that international markets play a major role in the state's economy. Illinois leads the nation in agricultural exports; ranks fourth in manufactured exports; and ranks third in total exports, which in 1980 exceeded \$20.6 billion.