

The second point I wish to make is that we are also your most important business partner. Two-way trade between our two countries is enormous -- your trade with us is double your trade with Japan, triple your trade with Mexico and almost as large as your trade with all ten countries of the European Economic Community combined.

Canada is a close second to Japan as California's principal trading partner. California's exports to Canada were worth about \$3.1 billion last year. Forty-thousand jobs in the L.A. area depend entirely on trade with Canada. Another 100,000 jobs are dependent on that trade to some degree. When lobbyists try to persuade you about the fairness of "Buy America", or about the logic of reciprocity, remember that Canada has run current account deficits with the United States every year since World War II.

Americans have more money invested in Canada, more than \$70 billion in direct and portfolio investment, than anywhere else in the world. Canadians have more money invested in the United States, more than \$13 billion, than anywhere else. Canadian investors are literally changing the face of urban America.

Canada and the United States grew out of the freedom to choose a way of life. For hundreds of years, men and women have chosen to come to our two countries. The many thousands of Poles who are migrating to Canada and the United States now are testimony to the hold our freedom still has on people's imaginations everywhere. Out of these recurring waves of humanity have grown two diverse societies with similar ideals and hopes -- democracy, human rights, freedom. Our values have grown in a common ethical landscape.

We clearly have much in common. We are not, however, identical. The United States was born in revolution. You have emphasized the melting pot and have given a vast new culture to the world. You have become truly a super-power.

Canada is smaller and younger. We have been independent for only 114 years. We have evolved gradually and the last steps of nation-building are only now being taken. We have striven to preserve our diversity. Thirty percent of Canadians speak French as their mother tongue and our new constitution will safeguard this duality.

More than 200 years ago your path and ours diverged, although our goals remained much the same. The parting of the ways led to different political institutions and even a different attitude towards government.