

Thank you very much, Mr. Chairman. It is a great pleasure to be with you today, in the company of so many people who have done so much for the care and feeding of the long trading relationship between California and Canada. I must say it is also nice to be in the warmth of the Southland. It was below zero yesterday when I left Ottawa.

This is really a remarkable area of the world. On the flight in last night, it seemed like we picked up the lights of the L.A. area about halfway from Canada -- and then flew over 15 "sig-alerts" on the freeways. I'm told that it's getting almost as hard to find an orange in Orange County as it is to find an angel in Los Angeles County -- or a river in Riverside County.

Canadians have always had a great affinity for California. I can't prove it, but I've been told that a million Canadians live and work out here, and a lot of them have made some contribution to your way of life. The Los Angeles Kings, for example.

Some of my countrymen have even got themselves involved in your motion picture industry. Jack Warner and Louis B. Mayer were both Canadians. So was America's sweetheart, Mary Pickford. And King Kong's sweetheart, Fay Wray. And, more recently, Donald Sutherland, Raymond Burr, Christopher Plummer and Geneviève Bujold. Or, from TV-land, such All-American heroes as Lorne Green and the Captain of the U.S.S. Enterprise, William Shatner.

I could go on, but I won't. The point is that Canadians love it out here, and we seem to get along well out here, and one of the obvious reasons is that Canadians and Americans have so much in common.

Indeed, the relationship between our two countries is unique in the world. Canada is your closest partner -- and you are ours -- in almost everything either of us does.

We work together in NASA's space program, we work together in NATO and NORAD. Our business practices are similar. You have more money invested in Canada than anywhere else in the world. We have more invested in the States than anywhere else. On a per capita basis, our investment in the U.S. averages out to about \$1,000 for every Canadian man, woman and child.

Our close relationships obviously include trade. We do far more business with each other than do any other two countries in the world. The volume of our cross-border trade in 1984 was 120 billion American dollars -- or roughly 1/15th of all world trade.

Rumours to the contrary notwithstanding, Canada is your biggest customer in the world. You sell more to 25 million Canadians than you do to the 280 million Europeans in the Common Market. You sell us twice as much as you do Japan. Indeed, my home province of Ontario alone takes more American exports than does Japan.

Not only is Canada your largest market, it's also your fastest growing market. Your exports to us climbed 20 percent in 1984, and -- although the final figures aren't in -- they grew again last year.

Lets look at the trade just between Canada and California. We are your largest and fastest growing market, and the one that is easiest to penetrate. In 1984, Canada's trade with California totalled over \$6.2 billion, with the balance slightly in your favour.