

financial services companies. The reasons are quite simple and revolve around the fact that we are becoming a world class economy, one that continues to grow more rapidly than most other areas of the country or the world.

One of the primary impacts is that Southern California has become one of the most competitive financial markets in the world, and I now have to fight it out, not only with our good friends at Security Pacific and Wells Fargo, but also with our friends at Chase, City Corp, and many overseas banks. The internationalization of the Southern California market is indeed in full swing. There are currently 140 banks from 35 countries with headquarters or some form of representation here. This has been an integral part of California's 64% increase in number of commercial banks since 1981, during which time the number of banks in the total country has declined.

Also important here is a healthy dose of entrepreneurial spirit, a gene that has its roots in our overwhelming growing business orientation here. Fully 90% of Southern California's 350,000 businesses employ fewer than 20 people. And our total stock of entrepreneurial talent is consequently quite large. Related very closely to this willingness to take risks, we generate a great deal of venture capital. It should not surprise any of us to hear me say that I believe much of this area's growth in financial services ties closely to the Pacific Rim. Trade with countries in that region is vital to the thousands of cargo handlers, dock workers, truck drivers, freight forwarders, trade credit and letters of credit people,