

of the rest of the country. Consumers here hold 60% of the state's total bank deposits and outstanding consumer debt. And consequently, a large number of financial institutions, both from within our state and outside of our state and our country, have initiated or expanded their California operations here over the last decade.

Ours is the nation's largest consumer and retail sales market, with retail sales surpassing 80 billion dollars last year. The climate and amenities of our region make this one of the most dynamic consumer markets in the world. Because such a diversity of communities, interests, and attractions can be found here, businesses often merchandise to lifestyles here. Our region consequently tends to be a leader in consumer-oriented innovations, and at times fads. Two key examples would be apparel and the jewelry industry.

In addition to our native strengths, Southern California is in a unique geographic position to tap growing trade with the Pacific Rim countries. As growth in U.S.-Europe trade has slowed, Pacific Rim countries have become major trading partners of the United States. About 12% of total U.S. international transactions pass through the Los Angeles and San Diego customs districts. And since 1970, volume passing through those facilities has increased more than ten-fold. As a result, Southern California currently accounts for over 70% of total California foreign trade.

As part of our rapid growth across a wide number of fronts, Southern California has attracted a growing representation of