

Ladies and gentlemen:

It's a great pleasure to speak to you today.

As a Canadian, I feel quite welcome here in California. That's not really surprising. After all, outside of Canada, there are more Canadians living here than any other place on earth. They have come to California to pursue opportunities in your entertainment, scientific and high-tech industries. Their successes have enhanced Canada's strong interest in increasing trade and investment relations with your great state. In fact, that is the reason for my visit here today.

I am happy to see for myself the renewal that is under way in San Diego. Your already successful efforts at restructuring and diversifying your economy will be enhanced as Canada, the United States and Mexico bring into force the North American Free Trade Agreement (NAFTA). San Diego is well positioned to benefit from the opportunities that will arise from the Agreement.

Much solid business is already under way between California and Canada. In fact we are your second largest export market -- the target for 11 per cent of the goods you produce for export. In 1991, California's exports to Canada were worth almost \$6 billion.

In return, California has strong potential as a market for Canada's world-class products and services in a number of diverse sectors, including transportation, energy, environmental, high-tech and biotech industries.

The variety and quality of the strategic alliances being forged between San Diego and Canadian companies are impressive. This morning I met officers of a number of biotechnology companies who have engaged Bio-Research Laboratories in Montreal for pre-clinical testing of new drugs. These companies are also involved in process development with the Alberta Research Council in Edmonton.

San Diego has proven a very successful city for Canadians. Since we opened our trade office here more than three years ago, our expectations for new business alliances have been more than met. Great potential exists for even more trade and partnerships. The NAFTA is going to help us in this important quest.

The Agreement is part of Canada's comprehensive trade and economic strategy. We are a trading nation, with one in four jobs dependent on exports. Our trade agenda is based on a clear vision of a future where Canadians can compete successfully in a constantly changing global marketplace. Recent years have seen great upheavals in the world. In many instances, former trading patterns and old ways of doing business are no longer valid.

Goods and products are not the only basis of trade any more. In many countries, services are rapidly overtaking goods as the