

Floor Statement on SJR 29

California State Senate

By: Senator Roderick D. Wright

August 25, 2010

Mr./Ms. President I rise to present SJR 29 which is back from the Assembly for concurrence. The Assembly amendments simply added co-authors. It has no opposition.

I want to use this time to raise a couple of issues related to this resolution. In SJR 29 we are asking congress to continue production of the C-17 Cargo aircraft which is manufactured in Long Beach. The C-17 is the last airplane being made in California. The C-17 was originally a McDonald/Douglas project.

Shortly after they acquired McDonald/Douglas Boeing moved or closed most of the McDonald/Douglas lines due in part to the high cost of doing business in California versus Seattle. Boeing moved or eliminated some 20K jobs with its acquisition of McDonald Douglas. The only reason the C-17 didn't move is because a forward thinking very astute congressional staffer bound this plane to California in the appropriation.

When I was growing up in south Los Angeles we used to make 25% of all the passenger car tires used in the United States. We were second only to Akron OH for the production of tires. Between 1975 and 1980 we went from 25% to ZERO. We lost over 60K good paying union jobs between Goodyear, Firestone, Uniroyal and Goodrich. Manchester Blvd. a major thoroughfare in south Los Angeles becomes Firestone Blvd. east of Central Ave.

Members California created the aerospace industry. In 1975 one of every three commercial airliners flying in the world was made in southern California. The L-1011 was made by Lockheed in Burbank, the DC 10, 9, 8, and 7 were made in Long Beach. The entire fuselage of the Boeing 747 was made in Hawthorne by Northrop Grumman. Today we don't

make a single commercial jet plane! And Northrop Grumman has announced it is moving its headquarters from Los Angeles to Virginia. Just in case anyone is keeping score, between aerospace, automobiles, tires and other manufacturing we have lost north of 600K jobs in less than ten years. We still have people in denial about the loss of our manufacturing sector.

Let me review just some of the companies who have left or expanded outside of California:

Google, Mountain View to North Dakota
Intel, Santa Clara to Oregon, Arizona and New Mexico
Genentech, South San Francisco to Oregon
Apple, Cupertino to North Carolina
McAfee, Santa Clara to Texas
Hilton Hotels, Beverly Hills to Virginia
USAA Insurance, Sacramento to Texas and Arizona

I had a couple of bills designed to help retain business. I failed to convince enough of my colleagues of the urgency of this situation. I'll try harder next time.

Members we are losing the manufacturing sector of California. This has been the bedrock of our prosperity. The Milken Institute reports that between 2000 and 2007 California lost an estimated payroll in excess of \$75 billion. Consider this against our current budget crisis.

If we lose the C-17 coupled with NUMMI just this year alone would mean another 20K jobs gone in just two deals. Members, when the producer names the tune, the consumer has to dance.

So I ask you today please support SJR 29.