

Richard Nixon Presidential Library  
White House Special Files Collection  
Folder List

<u>Box Number</u>	<u>Folder Number</u>	<u>Document Date</u>	<u>Document Type</u>	<u>Document Description</u>
59	12	1962	Report	Statement by Richard Nixon about Hughes Loan. 2 pgs.
59	12	04/26/1962	Report	Statement by Richard Nixon about Water Policy. 2 pgs.
59	12	n.d.	Memo	Informational sheet about Richard Nixon. 1 pg. Duplicate not scanned.
59	12	03/28/1962	Report	Statement by Richard Nixon about Senate Reapportionment. 1 pg. Duplicate not scanned.
59	12	03/10/1962	Report	Statement by Richard Nixon about the Coouncil on Foreign Relations. 1 pg. Duplicate not scanned.
59	12	03/1962	Report	Statement by Richard Nixon about Connally Reservation. 1 pg. Attached to previous. Duplicate not scanned.

<u>Box Number</u>	<u>Folder Number</u>	<u>Document Date</u>	<u>Document Type</u>	<u>Document Description</u>
59	12	05/03/1962	Report	Statement by Richard Nixon about Francis Ammendment. 1 pg. Attached to previous. Duplicate not scanned.
59	12	03/16/1962	Newspaper	Copy of the Santa Barbara News article, Picking Course to Fight Reds Is Real problem, Nixon Says. 1 pg. Not scanned. Attached to previous.
59	12	09/07/1956	Newspaper	Copy of the Bnai Brith Messenger article Calling Nixon "Anti-Semetic" Is a Disservice to Jewry. 1 pg. Not scanned. Attached to previous.
59	12	04/03/1962	Newspaper	Copy of the San Diego Union article, Nixon Outlines Plan to Counter Reds Inside US. 1 pg. Not scanned. Attached to previous.
59	12	05/07/1962	Report	Statement by Richard Nixon about campaign. 2 pgs. Duplicate not scanned.
59	12	09/14/1962	Report	Statement by Richard Nixon about support of school construction bonds. 1 pg. Duplicate not scanned.
59	12	05/15/1962	Letter	Letter to Mrs. Valley Knudson from Dick Nixon. 1 pg. Duplicate not scanned.

<b><u>Box Number</u></b>	<b><u>Folder Number</u></b>	<b><u>Document Date</u></b>	<b><u>Document Type</u></b>	<b><u>Document Description</u></b>
59	12	03/10/1962	Report	Statement by Richard Nixon about state loyalty oath. 1 pg. Duplicate not scanned.
59	12	03/23/1962	Report	Statement by Richard Nixon about Right to Work legislation. 1 pg. Duplicate not scanned.
59	12	09/12/1962	Report	Statement by Richard Nixon about New Industry Means Employment. 2 pgs. Duplicate not scanned.

*W. H. ...*

*400 copies  
to each office for  
distribution*

Nixon for Governor  
3908 Wilshire Blvd.  
Los Angeles 5, California

Richard Nixon explained the Hughes Loan on October 1, 1962 during his joint appearance with Governor Brown at the UPI Editors Conference in San Francisco. When he was asked the question about the loan, Mr. Nixon stated the facts of the loan as follows, and challenged Mr. Brown on the spot:

Six years ago, my brother was in deep financial trouble. He borrowed \$205,000 from the Hughes Tool Company. My mother put up as security for that loan practically everything she had - a piece of property, which, to her was fabulously wealthy and which now is producing an income of \$10,000.00 a year to the creditor.

My brother went bankrupt six years ago. My mother turned over the property to the Hughes Tool Company. Two years ago at the Presidential Election, President Kennedy refused to make a political issue out of my brother's difficulties and out of my mother's problems, just as I refused to make a political issue of any of the charges made against the members of his family.

I had no part or interest in my brother's business. I had no part whatever in the negotiation of this loan. I was never asked to do anything by the Hughes Tool Company and never did anything for them. And yet, despite President Kennedy refusing to use this as an issue, Mr. Brown, privately, in talking to some of the newsmen here in this audience, and his hatchetmen have been constantly saying that I must have gotten some of the money - that I did something wrong.

Now it is time to have this out. I was in government for four years as a Congressman, as a Senator, as Vice President. I went to Washington for 5 years with a car and a house and a mortgage.

I came back with a car and a house and a bigger mortgage.

I have made mistakes, but I am an honest man. And if the Governor of this state has any evidence pointing up that I did anything wrong in this case, that I did anything for the Hughes Tool Company, that I asked them for this loan, then instead of doing it privately, doing it slyly, the way he has -- and he cannot deny it -- because newsmen in this office have told me that he has said, "we are going to make a big issue out of the Hughes Tool Company loan".

Now, he has a chance. All the people of California are listening on television. The people of this audience are listening. Governor Brown has a chance to stand up as a man and charge me with misconduct. Do it, Sir!"

(Mr. Brown did not do it)

Text of Water Policy Speech  
by RICHARD M. NIXON  
Irrigation Districts Association  
Sheraton-Palace Hotel, San Francisco  
12 p.m., April 26, 1962

One of the greatest challenges to the dynamic growth of California is that of water development. Potentially, there is enough water to meet all our needs. Our job is to redistribute it - fairly and equitably.

The history of water development in California is a long one. The credit belongs to no one man. Since the beginning of this century we have been developing water. We will continue to do so imaginatively and creatively.

The East Bay Municipal Water District, the Hetch-Hetchy system, the Owens River Aqueduct, the Metropolitan Water District, the Central Valley Project, the Imperial Irrigation District and the Coachella Valley County Water District all deserve mention as do many others. As a result of these programs we have some of the richest farmland in the world and the resources for a burgeoning population.

The state entered the water development picture in 1947 when the Legislature authorized a comprehensive study of all water resources, and from that study evolved the California Water Plan in 1957. The first step of the Plan that will eventually encompass many water programs was to be the Feather River Project.

Californians approved the financing of the Project in good faith. We must keep faith with them. It is only fair to tell the people of California that the \$1 3/4 billion price tag never will cover the costs of the program. This was known at the time but nobody wanted the responsibility of putting a \$2 billion bond issue on the ballot. So the situation was conveniently compromised. The truth of the matter is that no one can honestly say what the Feather River Project will cost, and we must face that fact.

Like the Feather River financing approach, the entire program has been a bipartisan achievement. Until recently water has been non-political, and properly so. It is much too vital for party credits. Although he was a Republican, Harvey Banks, former Director of Water Resources, served in two administrations. He handled the assignment as a non-political one.

Indeed, those were the days -- before politics began to poison the water situation -- when the present Governor could truthfully declare:

"When I walked in as Governor of this State there were great pressures back and forth as to whether I should retain Harvey Banks as the head of the Department of Water Resources. But I had worked with him as Attorney General and I knew there wasn't a better water engineer in this State, and the water program of California as it moves ahead will be a monument to Harvey Banks."

We know, of course, what happened. The Governor lost the services of Harvey Banks, the man whom he praised for taking the Feather River Project to the voters so successfully. Until then, water was free from politics. I am determined to return it to that freedom.

OVER

Water also needs freedom from federal meddling. California's water developments prove that self-government at the local level is the best government. This is basic to my philosophy. Water projects already built are the best possible evidence of the effectiveness of local self-government. The vast irrigation works built by the irrigation districts, the municipal systems constructed by public agencies of one kind or another, and the works of private utilities all testify to the resourcefulness and achievement of local units. The job of the state should be to encourage this kind of achievement, not displace it with larger government. This philosophy should be basic to the state as well as to the federal government.

The function of the state is to guide and encourage local communities to help themselves. There is considerable criticism that local units are not getting the help they need. This can be cured only by a direct and able Director of Water Resources who has the confidence of his staff and the people in the communities which his department serves.

What is needed is not more layers of government -- but fewer. Getting rid of the present Governor's super-cabinet will be one of my first acts. Replacing the present water director with a man of Harvey Banks' calibre will be next.

At all costs, the counties of origin of the water must be protected. Present population distribution does not necessarily reflect the population of the future. There is enough water available, if properly harnessed, to serve all the people of the state. In the meantime, we must not make the same mistake in philosophy that the federal government makes when it tries to lay claim to all California water. We believe in the water rights of the counties of origin and of the original users. But unless our resistance to federal encroachment is extraordinarily vigorous, the question of protecting the rights of the counties of origin may well be merely academic.

In my opinion, as far as the Feather River Project is concerned, too much power has been vested in the Administrative branch of state government. The plan would be sounder if it contained more inherent checks than the Governor's vague promises to deal fairly with all sections of the state. Under the super-agency program of the present Administration, the Governor has virtual life and death power over the units of the Feather River Project and at the same time he has delegated that authority to an appointee who is not accountable to the people. The super-agency only dilutes the responsibility of putting the water program into effect. Besides these serious drawbacks, it adds a considerable burden of unnecessary expense.

\* \* \* \* \*

Whole civilizations have been buried under the dust of parched lands. New ones rise up where there is water. This is California -- rising as the giant among the 50 states.

California's population will pass the 20 million mark by 1970.

This is why our water must be harnessed to the fullest possible extent. This is why we must learn to tap the ocean economically and sift the work of our scientists and the ideas of our dreamers for new breakthroughs. This is why we need top leaders in state government -- leaders who will keep politics out of water.

###

RICHARD M. NIXON

born in Yorba Linda, California, January 9, 1913; second of five sons of Hannah Milhous and Francis Anthony Nixon; married Patricia Ryan, 1940; two daughters, Tricia and Julie.

Education

elementary and secondary education in California public schools; graduate of Whittier College (A. B. 1934) and Duke University Law School (LL. B. 1937).

Professional Career

General practice of law in firm of Bewley, Knoop and Nixon, Whittier, California, 1937-42; attorney in Office of Emergency Management, Washington, D. C., Jan to Aug 1942; of Counsel, firm of Adams, Duque and Hazeltine, Los Angeles, California, 1961 to present.

Service Record

Commissioned in the Navy as a Lt. (j. g.) in 1942; served in the South Pacific for 13 months; stateside duty in Ottumwa (Iowa), New York City, Philadelphia, and Baltimore; discharged as Lt. Commander in Jan. 1946; presently Commander, USNR.

Public Service

U. S. Representative from California, 80th and 81st Congress, 1947-51 (Un-American Activities Committee, Select (Herter) Committee on Foreign Aid, Education and Labor Committee).

U. S. Senator from California, 82nd Congress, 1951-53, elected by a majority of 700,000 votes (Expenditures in the Executive Departments Committee, Labor and Public Welfare Committee).

Vice President of the U. S., 1953-61 (President of the Senate, statutory member of the National Security Council; personal representative of President Eisenhower on goodwill trips to 54 countries; Chairman of the President's Committee on Government Contracts; Chairman of the Cabinet Committee on Price Stability for Economic Growth).

Republican nominee for President, 1960, barely defeated in the closest popular vote in history.

Candidate for Governor of California, 1961

Nixon for Governor Committee  
3908 Wilshire Boulevard  
Los Angeles, California  
DUnkirk 8-3385

SENATE REAPPORTIONMENT  
RICHARD NIXON  
MARCH 28, 1962

More representation in the State Senate for the growing metropolitan areas of California is a matter of simple justice.

Reapportionment of our State Senate is an important, serious, difficult and controversial matter. But the future well-being of our metropolitan areas and of our state as a whole is involved. I am convinced that the State Senate will be reapportioned.

The solution, whenever it comes, must be based on sound principle, one which will serve our growing state for at least until 1970. Changing the make-up of the Senate must not be decided upon political expedience.

The problem before the people of California is how to give our urban areas a more equitable voice in their government without usurping the influence of the less populous areas of our state.

We must maintain our traditional system of balances between urban and rural areas of our state, and this can only be accomplished through a bicameral legislature. This is the principle for which we must strive.

It is painfully obvious that the Brown reapportionment plan, drawn from his own blue-ribbon commission after two years of delay, was a gross affront to the expectations of the people. He offered 3 more senators to Los Angeles as a sop and a tranquillizer. It was no reapportionment plan at all. Lacking even a shred of principle, the Brown plan already has gone down the drain.

The surprise amendment to the Brown plan, submitted by Jesse Unruh, the Assembly Majority Leader, would provide the same 3 additional senators for Los Angeles and give one additional senator each to San Diego, Orange, San Francisco, Alameda and Santa Clara counties.

The scheme, devised in a day or so, although better than that of his protege (Governor Brown), still suffers from the mark of political expedience. Mr. Unruh does not hesitate to juggle his figures to fit his plan: he asks that four populous counties have 700,000 citizens for an extra senator but that Los Angeles must have 1, 200,000 for an added representative in the Senate.

I have studied the various reapportionment plans and weighed the pros and cons of each. One stands out as the best, giving fair representation to both our urban and more rural areas. It is a carefully considered plan, already in operation elsewhere, which will stand the test of time and principle. This is the modified Colorado Plan.

California. We have urgent urban problems to meet, such as traffic congestion, rapid transit, air pollution and others, and important work to do in our state legislature. Our urban areas need and deserve adequate representation.

California is a constantly growing state and progress cannot be stopped. The Senate will be reapportioned one day and it should be reapportioned with justice, wisdom and a sense of principle.

Having studied this problem, I am proud to pledge that, if elected Governor, I will seek to lead the forces of progress in California in effecting the enactment of a reapportionment plan as I have outlined here.

Reply by RICHARD NIXON  
to a question concerning  
The Council on Foreign Relations

March 10, 1962

In response to your question, I am a non-resident member of the Council on Foreign Relations. I believe that there is some confusion between the Foreign Policy Association and the Council on Foreign Relations -- they are, in fact, altogether separate. I share membership in the Council with General Eisenhower, former President Herbert Hoover and a host of other distinguished Americans. The late Secretary of State, John Foster Dulles, was throughout his life an active member.

There may also be some confusion as to the purpose of the Council on Foreign Relations. It is purely and simply a group which supports independent research in world affairs. It takes no positions. It is not a policy-making body. It advocates nothing but sound research on foreign affairs -- to which findings, in any case, the individual member is in no way bound -- as a contribution to public opinion.

\* \* \* \* \*

Statement by RICHARD NIXON  
concerning the Connally Reservation  
March, 1962

Domestic matters must remain within the jurisdiction of our own courts. The Connally Reservation was originally adopted for the purpose of assuring that this would be the case. The Eisenhower Administration in 1960 called for a modification of the Reservation because its language was obscure and confusing. The primary purpose of the proposal was to establish a clear definition of what was domestic and what was foreign.

In no way did I support then nor do I support now any proposal which infringes upon or diminishes the sovereignty of the United States. The United States retained the right to get out of the World Court on six months' notice and the right to veto any action of the Court by reason of our veto in the United Nations, the enforcing body of the World Court.

In any case, the overriding consideration is United States security and United States control over its own sovereignty. Because of the increasingly intransigent attitude of the Soviet Union, there is, in my opinion, no possibility that a modification of the Connally amendment will be approved until that attitude changes.

\* \* \* \* \*

FRANCIS AMENDMENT  
REMARKS BY RICHARD NIXON  
BEFORE THE  
JUNIOR BARRISTERS OF LOS ANGELES  
MAY 3, 1962

No one concerned with the security of our State and Nation can quarrel with the aims of the Francis Amendment, which is designed to combat the communist menace in California.

Governor Brown says this is "a very, very bad bill." He says, "I am against it in every way." I emphatically disagree with Brown. There is an urgent need for a more effective program to combat communism in California. Our State cannot stand pat on the communist threat. And we cannot tolerate a State Administration that substitutes smugness for action.

Unfortunately, there appears to be a fatal Constitutional flaw in the Francis Amendment. Because of loose drafting in Section 3, which allows a wide assortment of groups and individuals to designate subversives, the Amendment may inadvertently give the communists a constitutional escape hatch.

For 14 years in Washington -- as Congressman, Senator, and Vice President -- I dealt with communist-control legislation, and I know that the communists ferret out a legal loophole with the cunning of a rat after cheese. I was one of the sponsors of the Federal Subversive Activities Control Act of 1950 and I saw how communist tactics hog-tied this in the courts for ten long years. If the communists could do this to a carefully constructed law, which was finally held constitutional by the Supreme Court in 1961, it is easy to see what a field-day they would have in attacking a piece of legislation with the potential defects of the Francis Amendment.

This is why I regret that I can neither sign or support the Francis Amendment in its present form.

My alternative in vigorously pursuing the fight against communism in California is this:

At the next session of the Legislature, I will present a first priority anti-communist program. Among its provisions: it will deny the use of tax-supported institutions for speeches by any individual who refuses to comply with Federal and State subversive control laws or refuses to testify before Grand Juries or legislative committees investigating subversive activities; it will stress hard-hitting enforcement of laws now on the books, including loyalty oaths; it will activate on a statewide basis educational programs on the tactics and strategy of communism on the school and adult levels; it will emphasize the teaching of teachers and the use of authoritative text-books to do this job.

On this issue -- fighting communism in California -- as on all issues, I aim to close the "leadership gap" in Sacramento. Under the next Administration, California will not stand pat; we shall move forward in solving our state's problems. In so doing we shall set an example for other states to follow.

Statement by Richard Nixon  
Los Angeles  
May 7, 1962

As the primary campaign for governor enters the final month, the issues before the voters become increasingly clear.

Ahead lies a decade of decision. Will we move forward to assume our rightful place as the number one state in the nation -- or will we stand on the past?

Pat Brown has given us his answer. It is a white flag emblazoned with the motto, "I stand pat on my record."

Just what is this record?

Under the Brown Administration, the economic climate in California has become overcast. Unemployment has soared above the national average. We now have a serious job gap. The rate of new industry coming into the State has decreased because of the threat of higher taxes and the anti-business climate in state government. In a State that must create 20,000 new jobs each month, we cannot attract businesses with an Administration that is the handmaiden of the left-wing California Democratic Council. As Brown turns to irresponsible spending, industry turns to other states.

The leadership climate under Brown has become equally cloudy. Brown's speechwriters can put strong words in his mouth, but they can't cover his wobbly knees. Instead of "The Twist," Brown dances "The Flip-Flop." There was the Chessman case flip-flop, the flip-flop on the 1960 Democratic nominee for President, another flip-flop on narcotic law enforcement, and most recently, the Brown flip-flop on outlawing professional boxing.

Recognizing this leadership gap, Brown has tried to fill the void with an extra layer of bureaucratic fat called a "Super Cabinet". As the Governor's backstops, some of these Brown cronies are about as effective as a catcher with a hole in his mitt. For example, William Warne, Brown's Water and Natural Resources Director, appears to be too busy electioneering to bother about administrating. However, considering his past fiascoes as a foreign aid administrator, California taxpayers are probably better off with him on the stump than behind a desk.

In contrast to Brown's bumbling record, on which he stands, I have been systematically presenting to the people of California a realistic program of decisions for progress.

I have advocated a complete overhaul of the State Government to streamline the present bureaucratic sprawl -- not just put a shiny tin weathervane on top of an old barn. My proposals for more effective government have also called for continuous two-year legislative sessions and unfreezing the two-thirds of the State budget that is not now subject to review or control by the legislature.

In the field of water development, I have proposed a 13-point program to speed up construction of dams and aqueducts, to eliminate the present administrative hodge-podge created by William Warne, to reactivate the Power Committee, to put checks on executive power over water projects, and to oppose the 160-acre limitation where State water development is concerned.

In a speech before the California Teachers Association, I spelled out my top-priority program for solving our problem of overcrowded classrooms and other critical educative problems without turning to the federal government for the kind of aid that might lead to federal control of our schools.

My 4-point program for combatting the Communist menace in California calls for preventing our tax-supported institutions from being used as forums for individuals who refuse to comply with subversive control laws or refuse to testify before grand juries or legislative committees investigating subversive activities, as well as for hard-hitting enforcement of existing laws, and vital school and adult education programs on the tactics and strategy of communism.

I have stated my position on such other issues as the proper role of California government -- reversing the Brown trend of abdicating State responsibility to Washington; the State Budget; the best way to attract new industries to California and to create new jobs; and the shameful shenanigans that Brown apparently condones, such as his crony William Newsom's contract on Squaw Valley.

In the weeks and months ahead, I shall detail my plans for a more prosperous agriculture, a workable transportation program, more effective and least costly public welfare, and other vital topics that will concern the next State Administration. Moreover, I shall continue to expose the ineptitudes and irregularities of the present Administration.

My program means Decisions for Progress for a greater California. Brown's program is to stand pat on the record, a dismal record of bungling, indecision and wasteful spending of the taxpayer's money.

SUPPORT OF SCHOOL CONSTRUCTION BONDS (PROPOSITION 1-A)

Remarks by

RICHARD NIXON

Turlock

September 14, 1962

We cannot short change the youth of California. As we become the first State in the nation, our future depends on the education of our young people. It is therefore imperative that we have the necessary school construction funds for our rapidly expanding educational needs.

That is why I strongly endorse Proposition 1-A. This is why I endorsed the original school construction bond issue on April 28th in an address before the California Teachers Association and the National Education Association. This is why I reaffirmed my strong views by approval of a school construction bond issue on June 6th, the day after the primary.

In June, when I called upon my opponent to call a special session of the Legislature, I urged him to separate the education aspects of the Proposition from the other issues. To have had a straight school construction proposition on the ballot, unencumbered by other questions, would have shown good faith in the educational system of our State. For I believe that the people will vote for school construction when it is a legitimate need.

But the present State Administration placed politics above education and insisted on putting the bond issue before the people in November in exactly the same form in which it was defeated three months ago.

While I strongly favor Proposition 1-A, I regret that my opponent's administration has planned its budget so badly that the money for school construction cannot be raised unless the people further mortgage their future through more bonded indebtedness.

My opponent's irresponsible spending policies have made this bond issue necessary. But our worthy institutions, such as Stanislaus State College, must not be penalized for his recklessness. We must continue to expand our state colleges and universities to produce the type of young men and women who will be able to build a greater California.

The present administration is the first government in California history that has attempted to finance current expenditures from the proceeds of a bond issue that the people have not yet approved. I am sure that my opponent does not kite his personal checks. Why should he then kite the public checks of our state?

The history of Proposition 1-A is graphic proof of the fiscal chaos in Sacramento under the present State government.

C O P Y

May 15, 1962

Mrs. Valley Knudsen  
3034 Edgewick Road  
Glendale, California

Dear Valley:

Of course, I am opposed to socialized medicine. I am surprised that anyone has any doubt about this. It was one of the major issues of the 1960 campaign and time and time again I made my position clear. That issue is still with us today, and I am still opposed to any plan which would inject the federal government directly into medical care, and that includes the King-Anderson Bill, now being sponsored by the Kennedy Administration.

Sincerely yours,

/s/

Dick Nixon

STATE LOYALTY OATH  
RICHARD NIXON  
MARCH 10, 1962

I support the California state loyalty oath. I believe it should be applied with its full legislative intent. Public employment is a privilege as opposed to a right and we have every reason to require public employees to take the loyalty oath.

RIGHT TO WORK LEGISLATION  
RICHARD NIXON  
MARCH 23, 1962

As one who helped to draft the Taft-Hartley Law and who supported the Landrum-Griffin Act, I recognize that labor legislation is not only complex but also far-reaching. Right-to-work legislation on the other hand, in the states where it has become law, has not been effective as a labor reform device.

I oppose a right-to-work law in California because we need a more selective method of dealing with corrupt and dictatorial labor and management practices, one that avoids penalizing the good along with the bad. The application on the state level of the principles of the Landrum-Griffin Act would be one means of achieving the ends we seek. This bill has been well characterized as a "Bill of Rights" for the worker -- a charter of self-government for every responsible organization. I think that is the goal we should seek.

NEW INDUSTRY MEANS EMPLOYMENT  
RICHARD NIXON  
at Republican Associates Luncheon  
San Diego  
September 12, 1962

The job gap in California must be of vital concern to every citizen. For as long as any section of California suffers from unemployment, or not producing up to its potential, all Californians suffer.

This applies equally to the depression in the lumber and mining industries in the northern counties, the depressed film industry in Los Angeles, or construction stoppage in San Francisco.

But it is particularly true in San Diego. For, as you know, San Diego has been a major labor surplus area since September, 1960. Today, aircraft industry employment alone is 12,800 below a year ago.

Two years ago, on the day I arrived in San Diego, my present opponent announced, "Unemployment is something that I am deeply concerned about." At that time, the unemployment rate in San Diego was 6.7%. Now, after two more years of the present State Administration, the latest complete monthly figures show that unemployment in San Diego is 8.4%.

In fact, these current figures show that San Diego has its highest unemployment rate since 1950 and its lowest employment rate since 1956.

The way to solve this problem is not to sweep it under the rug and say that everything is fine.

The way to solve this problem is not to appoint another meaningless study committee or phony task force.

The present State Administration has done both these things. And last week the study committee chairman, when asked for a progress report by a San Diegan said, "The fact is the key to an early reversal of the downward employment trend in San Diego is in obtaining Federal recognition of the economic value of, and high utilization of, the air frame and aerospace production potential."

In other words, the State committee to solve San Diego's unemployment problem has made this record in seven months: 1) It has abdicated its responsibility to Washington; 2) It has done nothing.

San Diegans have done a first-rate job on their own to attract industry and to diversify. This is a city of unusual vitality and one with an even greater future. You are people who do things and do them well. San Diego has fought for its city's development in the best tradition of our state. But, as I have said, this is all California's fight -- not just San Diego's. And this city needs forceful state action to build an economic climate which will help attract the new industry needed here.

I believe that the only way to honestly make new progress in San Diego -- and throughout the State -- is to end economic ignorance in California government.

NEW INDUSTRY MEANS EMPLOYMENT - 2

As long as we retain a State Administration that has brought to California the most costly and wasteful government in the nation and the highest taxes in the nation, we cannot expect new industries to locate in California in the numbers we need to provide jobs we must have.

As long as we retain a State Administration whose answer to our economic problems is to sit back and hope for Federal contracts, we cannot expect businesses to remain in California. We will continue to lose too many.

We must fight for California's fair share of Federal contracts, but we cannot expect this to solve our problems alone.

The way to bring business and jobs to California is threefold:

1) We must have a vigorous, dynamic "California Crusade for New Business Investment" that will help our chambers of commerce and others as they search out and attract new industries.

2) We must have a state government that cares for the people's welfare while living within its means, so that businesses can operate with the assurance that taxes will not continue to skyrocket.

3) We must have a state government in which there is confidence -- an administration that is known throughout the nation for its dedication to private initiative, not government handout.

\* \* \*

I believe that discerning Democrats agree with this analysis and this program. And the presence here today of so many good Democrats attests to this.

As Democrats, you are not deserting your party. Your party in California, under the radical influence of the CDC, has deserted you and the true principles of Democracy.

The handpicked candidates of the leftwing CDC, including my opponent, have put too much faith in government and too little faith in people. And they will find, on November 6th, that the people of California have lost faith in them.