

LEGISLATIVE NOTES



Weekly News Letter

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June 9, 1961

Count Down

The counting off of days until the end of the 1961 session on June 16 is not unlike the count down that surrounds sending a missile into space. The tenseness in Sacramento has everyone a bit jumpy, including members of the "third house" (lobbyists) as well as members of the legislature. Like many space shots in the past, this session could be an awful flop.

At this point most of the controls are in the hands of the state Senate. Thirty Democratic senators could do almost anything they want to pull the session out of the doldrums. With very few exceptions, virtually everything of basic importance to organized labor that is still alive is on the Senate side, backed up behind the state budget and Assembly and Congressional reapportionment measures set for special order as we go to press.

Labor Bills

The "Little Norris LaGuardia Act," the collective bargaining procedures bill for intrastate commerce, the anti-professional "strikebreaker" measure, repeal or modification of the anti-labor jurisdictional strike act, the state fair labor standards bill, have all been killed on the Assembly side. But still alive in the upper house is the \$1.25 minimum wage bill without any provisions for overtime or minimum labor standards. Also, there are a number of social insurance measures in unemployment insurance, workmen's compensation and disability insurance in

(Continued on Page 2)

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ASSEMBLY-PASSED SOCIAL INSURANCE BILLS SNAGGED IN SENATE COMMITTEE

Basic bills in a group of social insurance proposals released this week to the upper house of the state legislature by Democratic Party leaders in the Assembly have run into a serious snag in Senate committee.

The fate of three major bills, among others, has been sealed until hearings of the Senate Insurance and Financial Institutions Committee on Wednesday, June 14th — only two days before the 1961 session must adjourn on Friday, June 16th, at midnight.

The bills are:

AB 234 (Rees) which (a) boosts the maximum disability insurance payment from \$65 to \$70 a week with provision for automatic escalation of the top benefit thereafter; (b) transfers \$70 million of the "also available" money in the unemployment insurance fund for payment of disability insurance benefits; (c) removes various subsidies to the voluntary plan carriers; and (d) provides for step increases in the taxable wage base on an annual basis from \$3,600 to \$5,600 by 1965, with automatic escalation thereafter geared to the escalation of benefits.

AB 329 (Waldie) which provides for a \$5 increase in the minimum and

(Continued on Page 4)

Senate Unit Bows to Realtors; Anti-Bias Bill Killed

The Hawkins anti-bias bill in housing is dead — killed by the 11-member Senate Committee on Governmental Efficiency, consisting of eight Democrats and three Republicans, and chaired by Luther Gibson (D., Solano County).

The action was by a close voice vote on a motion which sent AB 801 to Rules Committee "for assignment to interim study." No member of the committee asked for a roll call.

The death of AB 801, a measure supported by organized labor and the whole state community of minority and civic groups, portrayed a sorry picture of the state Senate on the most important equal rights bill of the 1961 session. The upper house committee bowed to the hypocrisy of powerful real estate lobby which argued the rights of property over human rights.

As Assemblyman Hawkins put it, he couldn't see why "those who dip their hands into the public treasury for assistance should object if a little democracy sticks to their fingers."

The already-weakened measure applied only to publicly assisted housing such as that financed by Cal-Vet, VA, and FHA programs. Tract housing in units of five or more would have been covered as well as multiple dwellings having three or more family units. Provisions which would have applied the bill to privately financed housing had been taken out of the bill in order to secure passage through the Assembly.

The main feature of AB 801 was that it would have placed enforcement of the ban under the state fair employment practices commission.

ASSEMBLY PASSES \$1.25 STATE MINIMUM WAGE — SENATE COMMITTEE HOLDS FATE

The fate of state minimum wage legislation has shifted to the state Senate in the closing days of the 1961 session of the California Legislature.

By the narrowest of margins this Monday the Assembly finally approved **AB 684** (Rumford), a \$1.25 per hour minimum wage bill, and sent the labor-sponsored measure to the Senate with a series of bills on unemployment insurance, disability insurance, and workmen's compensation developed by the Democratic leaders in the lower house. (See lead story on social insurance action.)

In the upper house, life and death control over the Rumford bill rests with the Senate Labor Committee, and the 30 Democrats and 10 Republicans who make up the state Senate. Two years ago, a similar minimum wage bill was dumped by the Labor Committee after clearing the Assembly.

Assembly passage of the Rumford bill this Monday marked the climax of

a long uphill struggle by labor to secure a minimum wage bill out of the lower house. The final vote was 41 to 35.

As approved and sent to the Senate, the measure establishes a statutory minimum of \$1.25 per hour for all women and minors in the state, exempting only baby sitters.

Agricultural coverage provisions, by amendment, also provide for a "piece rate" minimum. Growers would be required to set piece rates so that 80%

(Continued on Page 4)

LEGISLATIVE NOTES

(Continued from Page 1)

the Senate which could result in the enactment of a modest program of improvements in this area. (See lead stories this News Letter.)

The Senate also has a little bill, AB 402 (Hicks), repealing the unconstitutional "Hot Cargo Act" which is still in the Labor Code. This measure was given a good chance when it was referred to the Senate Judiciary Committee. This Wednesday, however, the chairman of the Senate Labor Committee got it transferred to his unit for "consideration." On Thursday it was referred back to Rules Committee for "proper assignment" to a policy committee.

Civil Rights

The slaughter this week of AB 801, the Hawkins fair housing bill, was a hard one to take for many groups, including labor, pressing for equal rights legislation in this session of the legislature. Defeat of the bill, however, leaves a whole string of other civil rights measures still in Senate committee waiting clearance for floor action. The most important of these are bills designed to prohibit discrimination by licensees of the state and to put an effective end to restrictive covenants in the transfer of property. If the Senate wanted to, there are bills in the upper house which could be amended to insert the substance of the Hawkins anti-bias bill killed in committee.

Farm Labor

Long overdue minimum wage protection for farm workers, of course, hinges upon AB 684 (Rumford) presently before the Senate Labor Committee. In other areas of farm labor legislation, the following bills are still alive:

AB 2503 (Casey) establishing an agricultural labor resources committee to coordinate activities aimed at improving the plight of farm workers and their families, and at developing a supply of dependable and stable domestic labor for California agriculture. This bill has been embraced by the Governor and is in Senate Agriculture, having cleared the lower house.

SB 993 (O'Sullivan), the Governor's agricultural study commission bill, has already cleared the Senate and is waiting action in the lower house.

Passage of the above measures could go a long way in removing the stamp of "complete failure" for farm workers in this session.

The field sanitation bill, AB 851 (Cobey), unfortunately has been killed by the Senate Finance Committee. This measure was first defeated in Senate Agriculture, then watered down and resurrected only last week. Finance, however, presided over a brief burial ceremony.

Housing

The Federation's state mortgage authority proposal never got off the ground because of the problem of using the state's credit in areas of activity like housing. The only major housing legislation that still might get by this session is a \$100 million general obligation bond issue program for low cost aged housing. SB 414 and SCA 10 (Burns), carrying this program, have been approved by the Senate and are on the floor of the Assembly. Although the Governor has not endorsed such use of general obligation bonds, 54 votes in the Assembly would put the issue to the voters at the next general election.

Otherwise, all hopes for developing a state program to tackle California's growing housing problems, both with regard to meeting the needs of low and middle income families and stimulating urban redevelopment and slum clearance, are tied up in AB 814 (George E. Brown) which would create a Governor's housing study commission. This is the long range approach, and needless to say, has many pitfalls judging from the lack of response given to the recommendations of other study commissions established in the past in various areas of legislation. We can only be hopeful.

Retraining Measures

In addition to the Federation's bill, AB 379

(Waldie), which is in the Senate Insurance and Financial Institutions Committee (see story, page 3), AB 2171 (Hawkins) is also alive in Senate Labor, set for hearing Monday, June 12. The Hawkins bill, which is compatible with the Federation approach, is designed to promote on-the-job training programs to (1) keep journeymen in apprenticeable occupations abreast with technological advancements and (2) develop labor-management programs in non-apprenticeable occupations for workers entering the labor force for the first time or those entering new occupations because of displacement by automation.

Public Employees

A weakened version of an organizational and collective bargaining rights bill for public employees is struggling for life in Senate Labor. It is also set for hearing on Monday, June 12th. The Federation-supported measure extending the basic policy provisions of the Labor Code on organizational and collective bargaining rights to government employees is dead, along with other specific measures which would have established not only the organizational and collective bargaining rights, but also procedures for implementation. The only hope in this important area of basic rights is that some form of recognition bill without restrictive amendments can somehow be pushed out of Senate Labor. Assemblyman George Brown (D, Los Angeles) has been the leader in this fight.

Also in the upper house are two bills of major importance to civil servants: AB 863 (Bane), providing for OASDI coordination with the state retirement system, is in a Governmental Efficiency subcommittee scheduled for action this Friday; AB 541 (Meyers), which would provide a \$5.00 state contribution toward a long overdue health insurance program for state employees, is also in the Governmental Efficiency Committee, set for hearing Monday morning, June 12th. If these measures receive policy approval in the upper house, their major hurdle will be the Senate Finance Committee.

Social Welfare

The social welfare liberalization package, developed on the Assembly side, is moving toward the floor of the Senate. Major bills were approved in policy committee and sent to Senate Finance. This offers the brightest hope of substantial accomplishment in any specific program area.

Key measures in the package include: substantial liberalization of the relatives' responsibility provisions of the OAS program; extension of aged aid to aliens; benefit increases in all of the categorical aid programs, both in regard to basic allotments and special needs allowances; and increased medical care allotments for categorical aid recipients, plus a new program of aid to "medical indigents" among the aged, utilizing federal funds made available last year. (The Senate has already approved the latter medical program.)

The Assembly on the other hand has a job to perform in killing a number of restrictive bills in the aid-to-needy-children program which have been approved in the upper house.

Schools

The Governor's proposal to provide for equalization of school funds at the local level failed to get by the Assembly. Originally embodied in AB 1000 (Winton), this plank in the Governor's program has been removed, leaving only the basic apportionment sections of the bill intact relating to the whopping budget item for school support.

As reported previously, the major education item of this session will be SB 57, the Fisher credential revision bill which places emphasis on subject matter competency in the training of teachers. This measure is on the Assembly floor for passage.

On the Senate side, Federation-sponsored AB 337 (Elliott) has been approved finally after being amended on numerous occasions to satisfy var-

(Continued on Page 3)

State Faces Loss of Vast Fed. Water Development Aid

State inaction, both legislative and administrative, is threatening the loss of hundreds of millions of dollars in federal aid essential to any California water development program.

The state legislature, on the one hand, has killed all bills which would conform state policies to federal reclamation law protecting taxpayers against monopoly, speculation and vast enrichment of giant landholders.

The state Department of Water Resources, on the other hand, has negotiated water delivery contracts (i.e., the L.A. Metropolitan Water District contract) which not only denies taxpayers such protections, but also creates administrative obstructions to carrying out the terms of federal reclamation in state water deliveries benefiting from federal subsidies.

As a result of these omissions on the part of the state, essential federal aid in both the state water program approved by the voters last November and future state program needs may be lost in order to satisfy the monopoly drives of giant landholders who are dictating state policy.

At point is the San Luis Project, authorized by Congress last year. The federal-state joint use facilities of this project are vital to the state water program in that no water could be delivered to the so-called state service areas in the lower San Joaquin valley or the Los Angeles-Southern California area without going through the San Luis reservoir.

When Congress authorized the project, with provision for the joint use facilities, the central point of controversy was whether or not federal participation should carry with it the full application of reclamation law to the so-called state service area which would benefit from what in fact would be a vast federal subsidy. Before passage of the bill, Congress deleted Section 7 which would have specifically provided the exemption, and made other changes, to demonstrate the intent of Congress to apply the full scope of federal law.

Opponents to the deletion and, supporters of the state water scheme have argued that the Congressional action did not preclude the negotiation of a federal-state contract on the joint use facilities which would nevertheless exempt the so-called state service area from reclamation. State leaders, under the Eisenhower Administration, had the support of the Department of Interior in this escapement effort. The new Secretary of Interior, however, is Stewart Udall, who, as a Congressman, voted in the House of Representatives to delete Section 7 from the San Luis bill.

The joint use facilities, upon which all state water deliveries below the dam are dependent cannot be constructed under the terms of the San Luis bill until a joint-use contract has been negotiated with the state. Liberal leaders in Congress have also served notice that they will kill appropriations for the San Luis project if any gimmicks are attempted in the contract or if the state fails to demonstrate that it will apply reclamation law to the state service as intended

(Continued on Page 4)

KENNEDY RETRAINING PROGRAM PINPOINTS NEED FOR STATE MEASURE

President Kennedy has called on Congress for "prompt enactment" of a federally financed four-year program to retrain and relocate several hundred thousand unemployed workers idled by the impact of automation.

Large portions of the Kennedy program would be carried out by the states, thus pinpointing the urgency of state enactment of AB 379 (Waldie), a Federation-sponsored bill which would place responsibility for development of retraining programs in the state Department of Employment in cooperation with other agencies and institutions, both public and private, state and federal.

The Waldie bill has been approved by the state Assembly, and is waiting action in the Senate.

The Kennedy Administration program, unveiled last week, is designed to grapple with the job displacement problem at three levels — the unemployed who need training before they can find new jobs; the unemployed who must be aided in relocating to new areas where their skills are in demand; the unemployed who need additional training to meet industrial change.

Implementing bills have been introduced in the U.S. Senate by Senator Joseph S. Clark (D—Pa.) and in the House by Rep. Elmer J. Holland (D—Pa.) Both are chairmen of subcommittees dealing with automation and unemployment problems and are slated to hold early hearings on the new program.

Based on federal-state employment and vocational training programs, the proposed legislation would work as follows:

Teaching Methods

The bills provide two teaching methods for the unemployed who must be trained or retrained: Full-time attendance at a vocational school, or on-the-job training for which the worker would receive some wages from his employer. Costs of training programs would be borne by the Government.

Workers going to vocational schools would be subsidized by a weekly Federal living allowance not more than the average weekly unemployment compensation payment in the worker's home state; payments would last up to one year.

(Under California law jobless workers undergoing retraining are already eligible for unemployment compensation benefits.)

On-the-job trainees also would receive one-year living allowances, made up partly of wages from their employers and partly of Federal payments, and not more than \$46 a week in total.

If the training is too far from the worker's home to permit him to commute, the trainee would receive transportation and extra subsistence payments from the Government.

When training is complete, the workers would receive job placement service from the Government, continued counseling, and Federal payments covering half the cost of moving their families where jobs are available.

For the second group of workers, those whose skills are surplus in their home communities but are needed elsewhere, the legislation offers U.S.

payments to cover half the cost of the move. They would be required to have "bona fide offers of employment of extended duration," the bill provides, and would have to be qualified to do the work that is available. To receive these benefits, workers must have been out of a job six months or more.

Third Group of Unemployed

None of these subsistence or relocation payments would be available for the third category of workers, those who need to improve their skills to meet future industrial changes. These workers would have the right, however, to attend training courses set up through the new legislation. Half the cost of these courses would be borne by the U.S.

The training courses for all workers would be carried out largely by states or private institutions, employers, unions, community groups, or trade associations, and these agencies would be reimbursed for their cost by the Federal Government. The labor secretary would be empowered to sign agreements for on-the-job training programs, and the Secretary of Health, Education, and Welfare would sign agreements for vocational training. Both departments would be responsible for close supervision of the training.

The job of setting up a system for testing and selecting workers for the training programs would be left to the Labor Secretary. He also would determine the occupational training or retraining needs of each worker.

The measure would direct the Labor Secretary to study changing industrial patterns to detect in advance the potential impact of the changes. This continuing study would help determine what retraining is needed, both for those already unemployed and those whose skills need improving.

LEGISLATIVE NOTES

(Continued from Page 2)

ious objections raised by school authorities. Even as amended, however, the bill provides substantial protection for probationary employees who fall outside school districts with an a.d.a. of less than 85,000. The measure extends the "dismissal for cause only" section of the law to the smaller districts, along with the right to a hearing before a local school board upon dismissal.

The Federation's child care center bill, AB 336 (Elliott) has moved to the Senate floor this week, receiving Assembly Finance Committee clearance on Thursday. Although watered down somewhat from its original provisions, the measure would increase by ten per cent the income limits of working parents for placing children in day child care centers. The private nurseries, despite the fact that they are doing a land office business, are still fighting the measure along with a couple of other child care center liberalization bills floating around in the upper house.

Health Insurance

The Federation-sponsored proposals for a general state prepaid health insurance program and a special California social insurance bill for the aged hardly saw the light of day in subcommittee of the Assembly Finance and Insurance Committee.

Assemblyman Cameron's effort to establish uniform accounting procedures in hospitals as well

Farm Labor Stabilization Bill Before U.S. Senate

Legislation before the U.S. Senate designed to stabilize the domestic farm labor force has received the backing of California labor "as a limited step in the direction of dealing with some of the most pressing problems affecting domestic agricultural workers."

The state AFL-CIO, this week, filed a statement before the Senate Subcommittee on Migratory Labor in support of S 1129, authored by Senator Harrison A. Williams, Jr. (D., N.J.), which would (1) improve programs of recruitment, transportation and distribution of domestic agricultural workers; and (2) provide assurances and guarantees respecting the rights and obligations of agricultural employees and employers using the recruitment program.

To accomplish these objectives, S 1129 would broaden the Wagner-Peyser Act so that various recruitment aids, similar to those now employed in recruiting foreign labor, may be applied to domestic farm workers. Specifically, the bill would provide for the following benefits for interstate domestic farm workers:

- Transportation, food, housing and emergency medical care to workers' families prior to conclusion of the employment contract.

- Housing, subsistence and emergency medical care for workers' families during the period in which employment arrangements are being made.

- Guaranteed payment of earnings lost as the result of an employer's breach of agreement.

- Contractual guarantees, enforced by the Secretary of Labor, as to wage rates which, in no event, shall be less than those prevailing locally.

- Guarantees of not less than 160 hours of work during each four-week employment period.

- Housing and sanitary facilities conforming to minimum standards prescribed by the Secretary.

- Employer-paid workmen's compensation insurance coverage in those states permitting such coverage; where coverage cannot be obtained, equivalent benefits are to be provided at the expense of the employer.

- Restrictions against utilization of this program unless it has been determined that sufficient local workers are unavailable, that adverse affect upon wages and working conditions will not take place, and that reasonable efforts have been made to attract and retain local workers under conditions comparable to those offered to out-of-area workers.

- Up to \$200,000.00 annually for financing studies and projects leading to fuller utilization of under-employed rural Americans.

The supporting statement of the Federation, however, noted that the provisions of the bill still fall short of a number of legal benefits available to imported Mexican nationals, including the right of workers to elect their own representatives; furnishing of tools and equipment; non-occupational health and life insurance and others.

While deploring these omissions, the Federation also noted that voluntary aspects of the bill may leave the user of "bracero" labor free to by-pass the whole domestic recruitment procedure and still receive his imported foreign labor.

If the wording of the bill is not clarified on this point, the statement added, "S 1129 would indeed be only a meaningless gesture towards alleviating the conditions of agricultural workers and bringing some semblance of order to the agricultural labor market."

as enact other hospital reforms has also failed. His bill, AB 571, to classify voluntary health insurance plans by quality based on the amount of the premium returned to participants is on the Senate side but in a greatly watered down form. As a matter of fact, it only gives the Insurance

(Continued on Page 4)

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Assembly-Passed Social Insurance Bills Snagged in Senate Committee

(Continued from Page 1)

maximum weekly benefit for temporary disabilities in workmen's compensation.

AB 1382 (Munnell) which combines a substantial liberalization of the unemployment insurance benefits schedule within the present \$55 maximum with a revision of the financial provisions of the law.

Following Assembly approval by a substantial majority vote this Monday, the proposals were called up for hearing on Wednesday before the Senate Committee — a nine-member unit consisting of six Democrats and three Republicans, chaired by Richard J. Dolwig (R., San Mateo).

Lengthy testimony was focused on the unemployment insurance measure, AB 1382, which is strenuously opposed by employer groups. (See Newsletter story on bill, June 2nd issue.)

Under this bill, the unemployment insurance schedule would be compressed within the present \$55 per week maximum, thereby providing benefit increases ranging from \$1 to \$8 a week for most jobless workers who fall within the ranges of the benefit schedule. The so-called average worker who earns about \$100 a week in his high quarter would realize the largest increase.

An employer spokesman representing the "California Organized Employer Community" attacked both the benefit increases (amounting to about \$25 million a year) and proposals in the bill to substantially revise the financing provisions of the sick unemployment insurance fund.

A motion to send the bill to the floor fell short of the necessary committee majority on a voice vote. This was followed by a second motion which set the bill over for another hearing until the June 14th date.

Chairman Dolwig announced that if the interested parties could "get together" on the measure he would set the bill for an already scheduled committee hearing this Friday night.

On grounds that the disability insurance and workmen's compensation bills before the committee formed a

"package" of controversial social insurance measures, the same action was taken regarding AB 329 and AB 234. Both of these bills are also opposed by employers and insurance carriers respectively.

A long list of additional social insurance bills approved by the Assembly are pending before the Senate unit. These include, among others:

AB 222 (Crown) eliminating the waiting period for disability insurance for any accident; AB 278 (Waldie) providing for a long overdue limited program of rehabilitation benefits for injured workers unable to return to their former jobs under workmen's compensation; AB 1405 (Waldie) repealing the lag-quarter disqualification in unemployment insurance; and AB 1811 (Hicks) specifying that any person serving a waiting period for unemployment insurance, unemployment disability benefits, or workmen's compensation shall be deemed to have served the waiting period for all three types of benefits in any one calendar year.

Still another bill whose fate rests with the upper house Insurance and Financial Institutions Committee is AB 379 (Waldie), the Federation's retraining bill, which would place responsibility for developing vocational training and retraining programs in the state Department of Employment with full authority to cooperate with other federal and state agencies.

Farm Labor D.I. Coverage

In the wake of Wednesday's hearing one of the few bright spots was a "do pass" recommendation given by the Senate Committee to AB 1663 (Hawkins). This is a Federation bill which would extend the state unemployment disability insurance program to farm workers.

The Assembly-approved measure is now on the Senate floor for passage. Provisions in the original bill to extend unemployment insurance benefits to farm workers were removed before Assembly passage by lower house committee action.

LEGISLATIVE NOTES

(Continued from Page 3)

Commissioner the authority to grade voluntary health insurance plans and requires that a description of each plan be contained on the face of the contract.

Assembly Passes \$1.25 State Minimum Wage — Senate Committee Holds Fate

(Continued from Page 1)

of farm workers in crop activities earn the \$1.25 hourly minimum.

The Rumford bill was brought up for floor action last week after the Assembly Ways and Means Committee dumped a broader Rumford measure (AB 682), providing for a state fair labor standards act with overtime provisions.

Here is the final vote on Assembly passage of AB 684:

AYES — Bruce F. Allen, Don A. Allen, Bane, Bee, George E. Brown, Burton, Cameron, Carrell, Casey, Crown, Cunningham, Davis, DeLotto, Dills, Elliott, Gaffney, Hanna, Hawkins, Hicks, Kennick, Kilpatrick, Knox, Leggett, Lowrey, Lunardi, McMillan, Meyers, Mills, Munnell, Nisbet, O'Connell, Petris, Porter, Rees, Rumford, Thomas, Unruh, Waldie, Williamson, George A. Willson, and Z'berg—41.

NOES — Bagley, Beaver, Belotti, Bradley, Britschgi, Burke, Busterud, Chapel, Collier, Cologne, Conrad, Cusanovich, Dahl, Flournoy, Francis, Frew, Grant, Hegland, Holmes, House, Lanterman, Levering, Luckel, Marks, Monagan, Mulford, Patee, Reagan, Schrade, Sedgwick, Shell, Sumner, Thelin, Winton, and Wolfrum—35.

The bill is set for hearing on Monday, June 12th, in the Senate Labor Committee, which only this week killed a Federation-sponsored measure (AB 683 Rumford) which would have extended the minimum wage authority of the Industrial Welfare Commission to male minors between the ages of 18 and 21.

State Faces Loss of Vast Fed. Water Development Aid

(Continued from Page 2)

by Congress as a condition of federal subsidy.

Both the failure of the state legislature to enact reclamation policies and the Metropolitan Water District contract preclude these assurances on the part of the state. The resultant loss of federal funds on San Luis would be devastating for the state water development program.

In fact, unless southern Californians recognize the threat posed by the demands of the landed monopolists for reclamation law exemption, the Metropolitan water contract may be the very vehicle which will deny water delivery to thirsty southern California.