

SEC. 6. Transfers for expenditures as in Sections 4 and 5 of this act provided shall be charged, upon final accounting, to the distributees of the trust moneys in the same proportion as they share in the distribution of the whole.

SEC. 7. All moneys received under said leases and deposited in the Special Deposit Fund are hereby appropriated, without regard to fiscal years, to carry out the provisions of this act.

SEC. 8. This act is an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution, and shall go into immediate effect. The facts constituting such necessity are:

It is of the greatest importance that the development and production of oil and gas from the tide and submerged lands along the coast of California continue uninterrupted, and with the same degree of efficiency as heretofore, under the leases made by the State of California to its lessees, during such period as shall elapse until final adjudication of the issues now pending in the United States Supreme Court in the case of United States v. California under the proceedings before the special master appointed by said court, or until permanent legislation is enacted by the Congress determining the rights of this State in and to said lands. The reason for this is that such uninterrupted and efficient development and production is vital to the needs of public health, industry, transportation, and many domestic uses of hydrocarbon products in this State. Under the provisions of the stipulation entered into by the Attorney General of the United States and the Attorney General of California on August 21, 1950 in the action heretofore referred to, it was agreed that all rents, royalties and other payments received by the State of California from these said leases in the tide and submerged lands along its coast, beginning on and subsequent to October 1, 1950, would be segregated and held in a special fund and paid quarterly to the order of the Treasurer of the United States and delivered to the Secretary of the Interior, the United States agreeing to segregate and hold all moneys so paid in a special fund until such time as the proprietary rights in any particular area of said lands shall be finally judicially determined, or shall be agreed to by the parties thereto; such agreement not to preclude any other proper disposition by reason of an order of the Supreme Court of the United States or of an Act of Congress.

The legislative provision contained in this act is necessary for the immediate carrying out of the provisions of this stipulation and the aforesaid uninterrupted and efficient production and development of hydrocarbon substances from the aforesaid lands.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED APPROVING THE ABOVE DRAFT OF LEGISLATION.

2. (UNITED STATES VS. CALIFORNIA - OPERATING STIPULATION - W.O. 721) Mr. Kuchel advised that the proposed legislation which the Commission had approved in Item 1 of these Minutes might require amendments of the Operating Stipulation between the Attorney General of the United States and the Attorney General of

the State of California, particularly with relation to the restriction imposed on the place of deposit of impounded funds, i.e., in a national bank in the State.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED DIRECTING THE STAFF OF THE COMMISSION TO REQUEST THE ATTORNEY GENERAL OF CALIFORNIA TO EFFECTUATE AN ARRANGEMENT WITH THE ATTORNEY GENERAL OF THE UNITED STATES DESIGNATING A NATIONAL BANK WITHIN THIS STATE AS THE DEPOSITORY OF FUNDS IMPOUNDED SUBSEQUENT TO OCTOBER 1, 1950 UNDER THE PROVISIONS OF THE OPERATING STIPULATION.

3. (UNITED STATES VS. CALIFORNIA - OPERATING STIPULATION - W.O. 721) The Commission was advised that State legislation was being proposed which, if enacted, would permit the investment at interest of funds impounded prior to October 1, 1950 in the State Treasury under the provisions of the Operating Stipulation between the Attorney General of the United States and the Attorney General of California. It was also informed that the investment of these funds had been informally approved by representatives of the Federal Government during the negotiations preceding the execution of the renewal of said Operating Stipulation, but that a formal exchange of letters was yet to be had.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED DIRECTING THE STAFF OF THE COMMISSION TO REQUEST THE ATTORNEY GENERAL OF THE STATE TO OBTAIN WRITTEN FEDERAL APPROVAL OF INVESTMENT BY THE STATE OF FUNDS IMPOUNDED PRIOR TO OCTOBER 1, 1950 UNDER THE PROVISIONS OF THE OPERATING STIPULATION.

4. (TIDE AND SUBMERGED LANDS CONTROVERSY - INTERIM LEGISLATION - W.O. 721) The Assistant Attorney General, Mr. Everett W. Mattoon, informed the Commission of the imminence of new or revised interim legislation in the United States Congress similar in effect to that of S. J. Res. 195, introduced by Senator O'Mahoney in the 81st Congress which had been opposed by the Commission and by the States previously.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED IN WHICH THE COMMISSION REAFFIRMED ITS OPPOSITION TO INTERIM LEGISLATION OF THIS CHARACTER AND DIRECTED THE STAFF OF THE COMMISSION TO COLLABORATE WITH THE ATTORNEY GENERAL OF THE STATE IN EFFORTS TO PREVENT THE PASSAGE OF ANY SUCH INTERIM LEGISLATION.

5. (TIDE AND SUBMERGED LANDS CONTROVERSY - QUITCLAIM LEGISLATION - W.O. 721) The Commission was advised by the Assistant Attorney General, Mr. Everett W. Mattoon, that strenuous efforts would be made to have the 82nd Congress of the United States enact permanent quitclaim legislation, and that there were reasonably good chances of obtaining sufficient votes to over-ride a veto, if necessary. He pointed out that the Walter Bill in the 81st Congress might be introduced in the 82nd Congress, without change, and while the quitclaim provisions of that bill were satisfactory (all of Title III had to do with operations in the Continental Shelf and was not germane to the basic issues involved. Accordingly he recommended the support of a bill similar to the Walter Bill with Title III eliminated.