

and destroyed over 5,000 enemy planes in the heart of the Japanese Empire. These Navy fighters cleared the way for the heavy bombers before land-based fighters could be brought to bear. This illustrates that land-based air power and mobile air power are neither duplicative nor in competition, but are complementary. The development of both types is essential to the most effective destruction of the enemy's industrial potential and will to fight. The ability of floating air power to strike suddenly from anywhere is bound to disperse, and hence to weaken, the defensive shield of the enemy, thereby enabling long-range attacks to succeed with less loss of life and material.

These carriers which support this mobile-type air power are not only the flying fields but barracks for personnel, service station, machine shops, and communication centers for air operations as well, and they mount their own heavy antiaircraft batteries. This enables great extra range for their planes as they can arrive at the combat zone with tanks full and their fliers fresh and ready.

In conclusion, we know that the economic structure of this Nation will only allow a certain expenditure for national defense, and we all realize that each dollar must be spent wisely and with plenty of forethought. We also know that we can't make a mistake and place "all our eggs in one basket," because when the next war comes we must be able to save our Nation from devastation by being able to carry the war to the enemy, and that cannot be accomplished without a modern and up-to-date naval force, nor without a modern and up-to-date air force, nor without a modern and up-to-date ground force. But with the coordination—and the integration—of all three, making use of the best and latest scientific developments, the United States can face the future with confidence for our own security—and with capacity to uphold the aims and purposes of the United Nations.

Who Is Looting Whom in Tidelands Dispute?

EXTENSION OF REMARKS

OF

HON. HARRY R. SHEPPARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 9, 1949

Mr. SHEPPARD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by E. C. Krauss, from the Los Angeles Times of May 29, 1949:

WHO IS LOOTING WHOM IN TIDELANDS DISPUTE?
(By E. C. Krauss)

A review of the tidelands oil controversy in the June Atlantic by Robert Hardwicke, a distinguished lawyer of Fort Worth, who was chief counsel for the wartime Petroleum Administration, raises the question of whether the Federal Government can administer the tidelands efficiently.

In view of the Supreme Court holding that the Federal Government has a "paramount" interest in the tidelands because it must defend them in case of war, the judgment of a man who saw Federal oil administration close up is worth consideration.

Most of the article recites what, to Californians, is ancient history, but the recital of Federal administration of public lands is new. Says Hardwicke:

"No claim has been made by the advocates of Federal control that petroleum supplies were lacking during our two world wars because the Federal Government did not have control of oil development onshore or offshore. This brings the discussion to what might be expected if an agency of the Federal Government should be authorized to grant leases and control offshore operations.

"It has been argued that the laws and their administration pertaining to the development of the Federal domain for oil and gas for a period of 28 years (1921-49) indicate what is likely to happen if the Federal-control bill becomes law.

"The history of the Mineral Leasing Act indicates that inefficiency is inherent in an arrangement which places control of great far-away areas in a Federal agency in Washington, subject as it is to inevitable frustration and restrictions which can be blamed only in part upon inadequate appropriations. Perhaps most of the blame rests upon Civil Service laws and the volumes of regulations and rulings which govern the employment, transfer, promotion, discipline and discharge of employees * * * giving little discretion * * * to the officials of the agency.

"Regardless of the ability of top-rank Federal officials, no way seems to have been found to avoid a complicated routine of red tape with little flexibility, often affecting judgment and always slowing the processing of papers and the announcement of final decisions, even minor ones. * * * The delays and uncertainties have been maddening. Moreover, Federal laws, leases, and regulations still impose upon operators obligations which are generally considered by them to be unnecessary and to confer powers upon the Secretary of the Interior which authorize arbitrary action. * * *

"This much is certain: Development of the public domain for oil and gas has not been comparable to the development of private lands or the public lands belonging to States."

State administration, the author insists, has generally been efficient and flexible. He concludes that "Federal control is bound to be a deterrent of great magnitude."

Hardwicke's article was no doubt in type before the recent hearing of the motion before the Supreme Court to permit suit to be started against Louisiana and Texas for possession of their tidelands. Otherwise he might have commented feelingly upon the charge by Solicitor General Philip B. Perlman that the States are using unfair propaganda and looting the Federal domain.

Considering that the Federal Government slept on its rights, if it has any, for nearly 150 years (from 1789 to 1937) and took no interest in tidelands till the enterprise of individuals and States proved that they were valuable, to make a charge of looting against the States takes more crust than one would expect to find even in the most Federal-minded of officials.

When States and localities, allowed to assume without contradiction that they own it, proceed to develop property and prove it of considerable worth, and the Federal Government then steps in to grab it, the charge of looting seems better founded when directed against the Federal Government.

It should not be forgotten that if the parties to these suits were private, the Federal claim would long since have been extinguished by the statute of limitations. The only basis for Federal action rests upon the technicality that the statute of limitations does not run against the Federal Government. It may be said also that mudslinging at the States ill becomes an officer of the Federal establishment. Can it be that Perlman's job is a little too big for him?

Science and the Federal Government

EXTENSION OF REMARKS

OF

HON. BARRATT O'HARA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 9, 1949

Mr. O'HARA of Illinois. Mr. Speaker, it should be of interest to my colleagues to know that in a poll taken by the Inter-society Committee for a National Science Foundation, representing societies that constitute the great bulk of American science, the demand for a National Science Foundation was practically unanimous, and the form of such a foundation as now offered by H. R. 4846 was endorsed as highly acceptable.

That which is recommended to us by the scientists of the Nation, and carries the approval of all the learned societies in the field of science, as something needed that to the fullest extent America may meet her obligation to herself and to the world, merits our most thoughtful attention.

I therefore include in my remarks, under the permission unanimously granted, and for the full information of the Members of the House, an address by Ralph W. Gerard, professor of physiology at the University of Chicago, delivered at the St. Louis, Mo., meeting of the American Association of University Professors, and printed in volume 34, No. 2, of the bulletin of the association:

THE CASE FOR A NATIONAL SCIENCE FOUNDATION

(By Ralph W. Gerard)

Why should this subject merit discussion before a group of academicians? The answer lies in the use of two words by Winston Churchill, a major world statesman, in his 1940 Quebec address, "At the end of the war the whole world may turn with hope, with science, with good sense and dearly bought experience from war to lasting peace." The answer lies in the atomic bomb, in Grand Coulee Dam, in the near abolition of typhoid fever, in nylon. Whether we like it or not, science is now in the big-time circuit, and is there to stay. It is, perhaps, the major national resource, in peace no less than war. At present its importance is mainly at the technological level, in terms of know-how, as applied in industry. It should be similarly important in terms of public education: education of citizens to the rational consideration of human problems, as of the simpler one of the material world.

We should really consider, then, the proper relations between Government and science in the areas of teaching and of research; and these, further, in terms of basic research and liberal education, contributing to the culture of a people, on the one hand, and of applied research and technological education, contributing to the productive potential and power of the Nation, on the other. Moreover, there are the separate facets of the use of science and scientists by Government, and of Government support of nongovernmental science activities. Only some of these matters can be considered in the available time, and I propose to center the discussion on what scientists should want of and offer to the Federal Government.

Israel military commander in Jerusalem had agreed to the evacuation of part of the Notre Dame Hospice, the French consul general appreciating that the rest of the building was needed by Israel for defense purposes.

So much for the facts. Certain lessons may be drawn from them. Apart from the east wing of the Notre Dame Hospice, which faces the Arab lines only a few yards away, the Christian religious institutions in Jerusalem in Jewish occupation are the Ratisbonne Monastery and St. Joseph's Convent, the former by generous permission of its owners, housing Jewish refugees—it is apt to be forgotten that the Arab invasion created a Jewish refugee problem—and the latter, again by kind permission of the owners, serving as a hospital to replace the Hadassah Hospital, which was bombarded by the Arab Legion and made inaccessible. All the other Christian religious institutions in Jerusalem and the Christian holy places, to say nothing of the Jewish holy places, are in that part of the city which is in Arab hands. In the discussions on the future of Jerusalem that, too, is apt to be forgotten.

The Jews have no desire to overrun or possess places that are holy to other religions. All they want is safe access to their own, and the ability to provide that protection against attack on their habitations which the events of the past year and more have shown to be imperative. For their part, they have every intention of giving all necessary safeguards to the religious institutions of other faiths in their own territory, and the return of part of the Notre Dame Hospice is the latest demonstration—it is not the first—of their good will and good faith. The armistice agreement with Transjordan stipulated free access to the holy places. It is not Israel's fault that no progress in the detailed arrangements for this has been made.

Bob Feller Youth Foundation Encourages Leadership

EXTENSION OF REMARKS OF

HON. CLYDE DOYLE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 14, 1949

Mr. DOYLE. Mr. Speaker and colleagues, recently I was privileged to fly to the city of New York and there participate in what appeared to me to be a very significant and memorable dinner. For, Mr. Speaker, it was in honor of two distinguished American lads of high school and junior high school age, respectively, who had saved human lives during the preceding 12 months. It was the Popsicle youth award dinner on the evening of May 18, and in attendance were the following distinguished American citizens, amongst others: Bob Feller, of baseball fame; Chancellor Tolley, of Syracuse University; Hon. Vincent Impelleroti, president, NYC Council; Brother Potamian, dean, Manhattan College; Charles Brecht of St. Johns University; Mr. Joe Lowe, president, Joe Lowe Corp.; Lt. Glenn Davis, United States Military Academy.

I considered it a great privilege and honor to be asked by the Bob Feller Youth Foundation to present a 4-year scholarship in Syracuse University to John Paul Cunningham, of San Marino, Los Angeles County, Calif. And while the

lad does not reside in my congressional district, it is in the same county, and the lad had saved the lives of a father and son from drowning in one of the mountain lakes in the nearby majestic Sierra Nevada Mountains. To me, Mr. Speaker, it was significant that Mr. Joe Lowe, the outstandingly successful president of this commercial corporation of Nation-wide spread, should conceive it as conducive to the American way of life that he and his associate owners contribute some of their money profits to encourage the youth of America in terms of successful leadership and unselfish devotion to the helpfulness of others.

The other distinguished lad who received a 4-year scholarship in Syracuse University was Joseph Fisher, of 707 Somerset Place NW., Washington, D. C. The parents of both of the lads were brought to New York at the expense of the foundation.

In speaking with Bob Feller, of baseball fame, he made it clear to me that he felt that emphasis upon leadership of youth by youth was a very desirable and necessary emphasis and Mr. Lowe, the president of the Popsicle Corp., made it clear to me that he felt that by rewarding leadership and responsibility in American youth the foundation would be making the wisest expenditure of its money in terms of American youth.

It was a very happy occasion, very largely attended, and I returned to my work in the United States Congress the next morning at 9:30 with renewed and inspired vigor and determination to do that each day which would more nearly lead to cause American youth to think in terms of doing good for others.

Federal Aid to Education

EXTENSION OF REMARKS

OF

HON. MELVIN PRICE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 20, 1949

Mr. PRICE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include herewith a letter to the editor of the Granite City (Ill.) Press-Record from the Madison (Ill.) Federation of Teachers, local 763, endorsing Federal aid to education:

THE FORUM

TEACHERS FEDERATION FAVORS SALARY FUND BILL

Mr. C. E. TOWNSEND,
Manager, Granite City Press-Record,
Granite City, Ill.

DEAR Mr. TOWNSEND: So much has been said concerning Federal aid to education among educational circles that we should like our many friends to know that our organization is backing the following bill which came up, along with the Taft-Thomas bill, for hearing on June 2, and that the following telegram was sent to our Washington correspondent to be inserted in the hearing on Federal aid:

"The Madison Federation of Teachers, Local 763, wishes to go on record as sponsoring the Lesinski labor bill for education. After reading the various bills, we are con-

ident that this Federal aid to education bill meets the needs of schools and teachers more effectively than any other Federal aid bill. We heartily endorse that 75 percent of funds be set aside for teachers' salaries; that funds be made available for only public school teachers' salaries; that funds be made available for the services of all children in the States; that if a State or person believes it or he has not received just allocation, that the right to an appeal to the Federal courts from the decision of the United States Commissioner of Education be granted; that full benefits of the law be given United States possession; that it is the only bill which will actually equalize educational opportunities; that services to all children, scholarships to needy students, public-school construction, eradication of adult illiteracy are not only highly desirable but absolutely necessary if the great institution of democratic public schools is to perpetuate itself. We endorse the Lesinski bill, urge its support and passage."

Thanking you for your fairness and many past courtesies, I am,

Yours truly,

MARJORIE SMITH, Secretary.

Control of Tidelands

EXTENSION OF REMARKS OF

HON. F. EDWARD HÉBERT

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 13, 1949

Mr. HÉBERT. Mr. Speaker, the very able and thorough Bernard L. Krebs of the staff of the New Orleans Times-Picayune has prepared a series of five articles on the attempt of the Federal Government to grab the tidelands of the coast States. Mr. Krebs in his articles draws a comparison between Federal and State operation of oil leases.

If you will but take the time to read these very informative articles you will be able to understand a great deal better some of the things which are involved in this land grab, or attempted land grab, by the Federal Government.

I am presenting three of these articles for the consideration of the House and will later present the remaining two articles in order to complete the entire series which bears not only reading but also serious thought and consideration by each Member of this House.

Here are the first three articles:

FEDERAL-STATE OIL LEASES

(By B. L. Krebs)

The United States and three States are engaged in a contest to determine who shall control the tidelands—the offshore lands which still are under the ocean at low tide.

Oil-producing California, Texas, and Louisiana are fighting to keep control of these tidelands. The United States has asked its Supreme Court to support its claim to them. In addition, several Federal bureaus have suggested legislation to guarantee Federal control.

The belated contest raises questions in which residents of all sections of the Nation have an interest. How are the tidelands being managed under State authority? How would they be managed by Federal bureaus? How would financial returns from tidelands under Federal management compare with returns under State management?

In four years the State of Louisiana has leased for oil development more than 2,500,000 acres of its offshore tidelands in the Gulf of Mexico—an area almost equal to that of the State of Connecticut.

A dozen major oil companies have paid \$25,744,000 in bonuses for the first year's rental and an additional \$10,350,000 in subsequent rentals to hold the lands that are not being drilled or have not been abandoned to the State.

This \$36,095,000 in bonuses and rentals is an average of \$14.16 per acre for the gross amount of water bottoms leased.

From million-dollar drilling platforms out in the open waters of the Gulf the State's lessees have already proven up 17 leases which either are producing oil or contain closed-in gas wells.

Had the United States Government been in control of these tidelands in the same 4-year period and leased an equal amount of acreage under its policies and existing Federal laws, it would have netted 50 cents an acre, or \$1,275,000 against the \$36,095,000 obtained by the State of Louisiana.

Under Louisiana law, the State mineral board grants leases to the highest bidder after advertising for bids.

Under Federal law, the Department of the Interior grants leases on a flat price basis, without competitive bids.

Secretary of the Interior Julius A. Krug on a recent visit to New Orleans said that the States have nothing to lose through transfer of the tidelands to the Federal Government.

"Government control of the tidewater oil fields," Secretary Krug told the Times-Picayune, "would actually put the States in a more profitable position than at present. The charge that the States will lose millions of dollars is ridiculous. In the west the States get 37.5 percent of the royalties paid by private companies operating on Government lands.

The State of Louisiana now gets 100 percent of the royalty from oil produced from the State's water bottoms.

Just how much oil the tidelands will eventually produce is of course an unknown factor. First production out in the open waters of the Gulf of Mexico came near the close of 1947—although there had been a small producing field a mile offshore for several years.

Actual proof of the existence of oil in commercial quantities in the open waters of the Gulf of Mexico brought a burst of activity by major operators, and additional producing areas were soon discovered.

Tidelands oil royalties to the State so far have amounted to \$52,000 not including the royalty due on oil held in storage but not sold. The royalty figure is expected to increase rapidly. June production in the Gulf is at the rate of 1,000 barrels a day, and the figure will rise as additional wells are drilled in areas now producing.

The highest price paid for a lease in the Gulf of Mexico was a year ago. Superior Oil Co. acquired a tract of 5,000 acres of tidelands 30 miles out in the Gulf, and more than that distance from the nearest oil field, for a bonus of \$103 an acre, or \$515,000, and an annual rental starting with the second year of half that amount.

Superior has already constructed a drilling platform and is ready to start in search of oil. By turning the drill stem before the second year of the lease starts it can save the \$257,500 rental, since actual operations will serve to hold the lease without further payment of rental.

The substantial prices that the State has obtained for its leases is the key to rapid development of the area. If the Federal Government had been in control of the tidelands and Superior had been able to get the 5,000-acre lease for the 50 cents per acre over 3 years that the Bureau of Land Management

of the Department of the Interior has been getting for inshore leases in Louisiana, Superior would have been without the strong inducement to drill immediately in order to save the \$257,500 per year rental.

Forty or more leases have been made in the tidelands at figures which would cost the operators \$50,000 or more a year to hold them without drilling.

Up to the time the State discontinued leasing tidelands, following suit by the Federal Government to assert paramount rights to the oil, the amount received for the leases was constantly rising.

In August 1945, when the first tidelands were leased, the State received a bonus of \$5.12 per acre. In three succeeding years the average rose to \$10.87 per acre.

Then the oil fields began to come in, and prices advanced sharply. Between May and October 1948 the State mineral board at competitive bidding let 429,028 acres of tidelands for \$7,339,491 or \$17.11 per acre.

A letting on October 8 disposed of 130,095 acres for a bonus of \$3,058,322 or \$23.51 average. Had these acres in the Gulf of Mexico been disposed of the way the Department of the Interior has been handling Government lands in the State, they would have brought \$65,000.

Two-thirds of the Gulf of Mexico waters between the shore line and 30 miles out are still unleased by the State. The tidelands were estimated to contain 6,000,000 acres, of which 2,500,000 have been leased, with 500,000 of these acres surrendered by the companies and returned to the State.

With interest in the tidelands at a peak, due to recent discoveries, millions of dollars of additional bonus and rental money would be rolling into the State treasury, were it not for the Federal Government's suit seeking to take control of the water bottoms away from Louisiana.

FEDERAL-STATE OIL LAND HANDLING

(By B. L. Krebs)

The United States Government has granted oil leases for 50 cents an acre after the State of Louisiana leased its lands in the same area for \$10.22 an acre.

Within the same marshland area near the mouth of the Mississippi River in Louisiana, the United States Government owns the land surface, which it operates as a migratory wildlife refuge, and the State of Louisiana owns the water bottoms.

In July 1948, the State mineral boards, after competitive bidding, leased its water bottoms to the California company, large oil operator, for a bonus of \$15,130 for the first year, and an annual rental of \$7,565 for each of two subsequent years.

The State water bottoms were estimated at that time to contain 1,480 acres, but engineers for the State board of public works now estimate the bayou beds and small ponds at half that acreage.

However, on the original estimate of 1,480 acres the State received \$10.22 per acre for the first year of its lease.

On March 1 of this year the Federal Government's 9,742 acres of land surface were leased by the Bureau of Land Management of the Department of the Interior on a non-competitive basis. The lessees paid the Government 50 cents per acre for the first year, with the second and third years rental free.

Thereafter if they wish to continue holding the leases, and no drilling for oil has started, they will pay 25 cents per acre for the fourth year, with the fifth year again rent-free. That would make an average return to the Government of 15 cents per acre per year for the 5-year period.

This is in accordance with the law passed by Congress a couple of years ago, with the active support of the Department of the Interior. This law placed the leasing of minerals in acquired public lands under the Bureau of Land Management.

Within a 6-mile half circle of the wildlife refuge, leased by the Government March 1, 1949, for 50 cents an acre, the State mineral board in the past couple of years has negotiated at public bidding a score of leases which have netted the State in bonus and rentals from \$3.30 per acre to as high as \$103 per acre.

There have been four public lettings by the State for the area, most of them on tide-water lands. Bids have been approved on a total of 56,156 acres, which have brought bonuses and rentals amounting to \$1,941,880 to the State of Louisiana by three big oil companies. The average paid for prospective oil lands was \$34.58 per acre.

One of the profitable deals made by the State was on July 22, 1947, when Shell Oil Co. was high bidder on three tracts of tidelands 6 miles northwest of the migratory game refuge. Their three leases contained 10,722 acres. Shell paid a total bonus of \$595,592. It is now holding one of the tracts by drilling, and has paid rental of \$163,748 for the second year on the other two.

Return to the State to date on these leases has been \$759,341, or \$70.82 per acre, plus a drilling program that may bring in an oil field from which the State would receive a one-eighth royalty.

The 50-cents-per-acre leases on the Government's land were applied for August 6, 1947, under the provisions of the public lands leasing law which at that time was being extended by Congress to lands acquired by the United States Government for various purposes. It had previously applied only to mineral leasing in the original public domain.

The applicable provision of the law under which these applications were filed reads:

"Any person qualified to hold a lease who, on the date of this act had pending an application for an oil and gas lease for any lands subject to this act, which on the date the application was filed was not situated within the known geologic structure of a producing oil or gas field, shall have a preference right over others to a lease of such lands without competitive bidding."

The question of the tidelands was at that time before the Supreme Court, and they were specifically exempted from the law, pending final court determination as to whether the United States Government or the States had title to their oil and gas.

This act was approved August 7, 1947. The applications filed the previous day by Allen L. and Frank J. Lobrano of Pointe-a-la-Hache, La., were thereby pending and they had priority in leasing the land. These applications were for four leases, covering about 2,400 acres each in the Delta Migratory Waterfowl Refuge and the Big Delta Migratory Wildlife Refuge.

While the lease applications were following their leisurely progress through the Fish and Wildlife Service and the Bureau of Land Management of the Department of the Interior, the State mineral board held three additional public lettings on water bottoms in the general area of the wildfowl refuges.

Six leases with a total of 11,670 acres, mainly tidelands, were granted to two bidders December 9, 1947, for an average return to date of \$43.11 per acre. One of these leases brought an initial bonus of \$153,000 for 3,000 acres, and was subsequently drilled and brought into oil production. It lies a few miles southeast of the combined Government-State leases to the California company and the Lobranos.

In April 1948, the State mineral board let two more leases, one for \$504,700 bonus on 4,900 acres, or \$103 average per acre. This tract, 4 or 5 miles northwest of the California company-Lobrano leases, is now being drilled. Last July the State held its fourth letting, receiving an average of \$4.47 per acre on 13,451 acres of land, but including the lease to the California company of the water bottoms in the wildfowl areas for \$10.22 per acre.

The leases by the Bureau of Land Management to the Lobranos for 50 cents per acre of the land surface in the wildfowl area where previously the State had leased its water bottoms for \$10.22 per acre, was brought to the notice of the State mineral board at a meeting April 21, 1949. An attorney for the California company told the board that the Lobranos had obtained the Government areas and had entered into an agreement with his company whereby the latter would drill a wildcat well.

The California company's attorney asked the mineral board to agree to unitization of the State and Government leases. This would mean that regardless of whether a well was drilled on Government surface lands or State water bottoms, the royalty would be divided on the basis of the amount of acreage owned by each in the unitized lease.

Over the opposition of Harley B. Bozeman, of Winnfield, one of its members, the board approved the project 4 to 2. Bozeman dictated into the minutes the following statement:

"In voting against the motion to unitize State-owned lands under lease by the California company with United States Government lands leased by the Department of the Interior I did so because I oppose in principle the practice of said United States Government lands being leased by the Department of the Interior without competitive bids."

Prior to the unitization application to the State mineral board the arrangement between the Lobranos and the California company had been approved by the Bureau of Land Management on April 19. A Washington representative of the Times-Picayune was requested to ask the Bureau of Land Management:

"(1) The amount of the overriding royalty reportedly received by the Lobranos from the California company, or any other consideration involved, and

"(2) Why the Government itself couldn't have gotten this extra consideration by making direct leases to the California company, which already held the water bottoms."

To which the Bureau replied:

"That the Government under the leasing law can't accept more than a one-eighth royalty."

"That the owners of leases may do whatever they please about arranging for overriding royalties, except for a limit of 5 percent on wells producing 15 barrels or less per day, and

"That any considerations involved in the deal between the Lobranos and the California company are confidential, so far as the Bureau of Land Management is concerned."

FEDERAL-STATE OIL LEASES

(By B. L. Krebs)

In Winn Parish (county) in central Louisiana, private landowners in the 12 months ending March 3 leased 11,680 acres of land for oil and mineral development. They received \$165,042 in bonuses, and will get a dollar an acre rental for each succeeding year.

In 3 years the private landowners would receive in bonus and rentals, \$188,402, or an average of \$16.13 per acre for the period.

The Bureau of Land Management of the United States Department of the Interior has been handing out, on a noncompetitive basis, oil and gas leases in the Kisatchie National Forest in central Louisiana to bring 50 cents an acre for the same 3-year period.

This is the reason officials of the parishes of Winn, Rapides, Grant, Natchitoches, and Vernon, in which the half-million-acre Kisatchie Forest is located, want to see something done about the leasing law under which the Department of the Interior handles its minerals business.

Revenues of the national forests, whether from minerals, timber of other sources, are of vital interest to the parishes and counties throughout the country in which the forests are located, because one-fourth this revenue goes back to the local subdivisions. This is to compensate them for the tax-exemption the lands enjoy.

It is true that some of the Kisatchie Forest leases made by the Department of the Interior are of questionable title, until proceedings now pending in the United States courts are settled. But Winn Parish officials contend that even in these circumstances the Department of the Interior could get a great deal more than 50 cents an acre by asking for competitive bids, even if it didn't want to wait for the suit to be decided.

This is the reason Harley B. Bozeman, Winn Parish citizen and member of the State mineral board, recently voted at a board meeting against approving unitization of State and Federal leases near the mouth of the Mississippi River, where the State netted an average of \$10.22 for its water bottoms in competitive bidding, and the Department of the Interior leased the Government's land surface without bids for 50 cents an acre.

The Department of Agriculture handled the leasing of the national forest lands up to June 1946, when the presidential reorganization act became effective and obtained more than \$3,000,000 in competitive bidding. After that the jurisdiction of leasing passed to the Department of the Interior. The leasing law under which the Department of Agriculture had operated, however, remained effective for another year.

Then in August 1947, Congress, under vigorous urging from the Department of Interior, decreed that mineral leases on acquired public lands should be handled under the same law which had prevailed in the leasing of the original public domain. The effect of this change was to preclude competitive bidding for leases on lands thought to be potentially productive of oil and gas, but which were not a part of a geological structure actually producing oil or gas at the time the lease was effected.

First qualified applicant for a lease on a tract was given the land on a schedule providing for a rental of 50 cents an acre covering the first 3 years, 25 cents an acre covering the second 2 years, and \$1 an acre yearly thereafter. Bonuses were not required, and the Government's royalty was held to 12.5 percent. The agriculture department had a sliding scale of royalties which pumped to 15 percent on a 70-barrel-a-day well, and went as high as 32 percent.

Oil development in the areas where the Kisatchie Forest is located has become active only in the past few years. Consequently only a minor part of the forest is now under lease, and a change in the national leasing law could retrieve the situation.

The Department of Agriculture negotiated two leases in the forest before its functions were taken over by the Department of the Interior. On 3,752 acres of land it received \$22,515 in bonuses, and 3-year rentals totaling \$5,629, or a return of \$7.50 per acre.

The Department of the Interior up to March 22 of this year had made six leases for a total of 9,969 acres, bringing \$3,984 in rentals. Had it done as well as the private owners in Winn Parish in its leasing program the return would have been more than \$150,000.

The State of Mississippi has not been so fortunate with the Department of Interior leasing policies. Several oil fields were developed in central and south Mississippi, where the Homochitto and Heidelberg Forests are located, and before the Interior Department took over, the Department of Agriculture, through an active program of competitive bidding, collected more than \$2,000,000 in oil bonuses from the national forest

lands, of which one-fourth went to the counties in which the lands were located. Since the Department of the Interior took charge, with its "50 cents per acre for 3 years" schedule, the Bureau of Land Management, according to a list furnished by it to the Times-Picayune, has without competitive bidding negotiated 147 leases in the national forests of Mississippi, covering 192,000 acres of forest lands.

Proceedings of the House and Senate Committees on Public Lands, show that a vigorous effort was made at the 1947 session by Charles F. Brannan, Assistant Secretary of Agriculture, to have the law amended so as to provide for competitive bidding for oil and gas leases, but without result.

Oscar L. Chapman, Under Secretary of the Interior, in a letter dated May 2, 1947, advised the Senate Public Lands Committee that he favored the enactment of the measure putting acquired lands under the public domain leasing law. He noted the fact that the Department of Agriculture had been letting after competitive bids on prospective oil and gas lands, that it had derived substantial bonuses from the practice, and that the counties in which the leased lands were located shared in the revenue. Without expressing himself as to whether or not he favored this method, he suggested how the proposed law could be amended "if the committee feels that this practice should be continued in the interest of the United States and the local governments which participate in the returns."

Assistant Secretary of Agriculture Brannan in his report to the Senate committee on the same day said he favored the placing of the administration of mineral deposits under one agency, but that his Department was opposed to applying the "too generous" public domain disposal policies to acquired lands purchased for a particular purpose.

Discussing the competitive bidding policy hitherto followed by the Department of Agriculture, he declared:

"As a result of this practice, in the 2 years ending July 1946, the Department of Agriculture obtained approximately \$3,200,000 in bonuses alone from leases principally for oil and gas, on lands which although of a competitive nature were not within any known structure of a producing oil or gas field. * * * Under the provisions of Senate bill 1081, which would apply the nominal filing fee provisions of the mineral leasing acts to such lands, this important source of revenue would be eliminated."

In reporting the bill favorably on May 12 the Senate committee said that the measure was designed "to further stimulate the discovery of new petroleum reserves and to promote the development of oil and gas on acquired lands."

India's Independence Day

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 14, 1949

Mr. CELLER. Mr. Speaker, I rejoice with the good people of India on the advent of India's emergence as an independent republic on August 15, 1949.

The people of the United States view with great interest the setting up of the new democracy of the East. India and the United States have much in common, and may the democracy which unites us

Income of the company is augmented by investment of the premiums until needed for payments.

Since the SSA cannot engage in such operations, even its pay roll must be met by taxes—and no kind of verbal legerdemain can change a tax into an insurance premium.

But, it is maintained, much of the income of an insurance company does in fact come from Government bonds, and to that extent there is a similarity between it and the SSA. One cannot deny that as a bondholder the insurance company is not furthering productive enterprise, for every Government bond is only a lien on the taxing power of the Government; the bondholder is a tax collector, once removed. But the bonds it holds do not make the company a department of Government. Its bonds are contracts with the Government, not with itself.

Even if all the assets of an insurance company consisted of Government bonds, its character would still not be that of the SSA; for it would continue to be a private institution dealing with the Government on behalf of its policyholders and stockholders, not an agency of the Government which issued the bonds. Of course, if we should get around to nationalizing insurance companies, thus making premiums available for governmental appropriations, that would be the end of insurance.

Since the war, insurance companies have been inclined to shift their assets from tax-secured paper—at one time amounting to over 60 percent of their portfolios—to business securities and real estate operations. Apparently, the directors recognize that income from production has advantages over tax-collecting, not the least of which is a larger return per dollar invested. At any rate, such a shift is not possible for the SSA; it has no other recourse than to invest its premiums in the bonds which in effect are issued by itself.

Thus, by whatever criterion we apply to it, the analogy between social-security taxes and insurance premiums is fictitious. One is a form of capital dissipation; the other, at least potential accumulation.

IV

It is estimated that the old-age and survivors trust fund—the debit on the books of the Treasury representing its borrowings from SSA—will eventually reach the fantastic sum of \$50,000,000,000.

This brings up an interesting question. Recently Mr. Truman called for an increase in social-security taxes, ostensibly to cover proposed additional benefits. It would seem to be sound business (as well as wise politics) to distribute some of this accumulating fund in the form of benefits, without an increase in taxation. Can it be that the call for higher pay-taxation is prompted by the prospective deficit of the Treasury, due to Fair Deal spending, and that the additional benefits are only additional soporifics?

It may be, as some actuaries maintain, that in due time the fifty billions will be needed to meet the obligations under the social security law; the trust fund must therefore be kept intact. If that is so, one must ask how the Treasury will raise the money to buy back this pile of bonds, or any considerable part of it, when the need arises. The money "borrowed" from the trust fund will long have been spent, and the Treasury will consequently be faced with a fiscal problem of truly staggering proportions.

Let us say that the SSA finds itself in need of only \$5,000,000,000, some year in the future. Will the Treasury be forced to ask for that much in taxation, in addition to the regular load—now amounting to 30 percent of our national income? How much additional taxation can our economy stand before it breaks down completely? It is horrendous to contemplate the effect of dumping the entire \$50,000,000,000 worth of bonds on the taxpayer, even over a period of 10 years.

The usual practice of the Government is to issue new paper to meet maturing obligations. Even during war, when patriotic fervor favors the undertaking, the floating of a \$5,000,000,000 loan is a major task. Can it be done in peacetime? Can it be repeated year after year? One wonders whether in its extremity, the Government will not resort to compelling financial institutions to take its paper, which is tantamount to the confiscation of property.

Finally there is the ultimate avenue of repudiation by inflation. While the prospect of such a desperate step is distasteful to contemplate, both for its immorality and its economic results, it cannot be ignored. The Treasury has never before been compelled to meet so monstrous an obligation. It has, however, learned how to debase currency.

But, whether the Treasury resorts to taxation, refinancing or repudiation, it will be acting as a sovereign government, not as an insurance company. All that an insurance company could do, if forced into a similar position, would be to file a petition in bankruptcy.

D-Day 1944—D-Day 1949

EXTENSION OF REMARKS

OF

HON. ROBERT L. F. SIKES

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 27, 1949

Mr. SIKES. Mr. Speaker, I wish to call attention to an interesting editorial from the pen of Pete Wehmeier, editor of the *Gospport*, a very fine service publication from the United States naval air station at Pensacola, Fla.

The editorial first appeared in the *Gospport*, and subsequently was published in a number of other papers.

D-DAY 1944—D-DAY 1949

(NOTE.—The following was contributed by R. S. Wehmeier, of the Public Information Office, Naval Air Station, for the fifth anniversary of D-day in Normandy. It includes his novel editorial written shortly before the actual storming of the beachheads in France.)

Five years ago today, June 6, 1944, the Allies hit the beaches of Normandy, invading continental Europe. D-day 1944 was an important event in the Allied schedule for winning World War II. D-day 1949 is even more important to us in winning a permanent and lasting peace and the prevention of future wars.

Two days before D-day in 1944 this writer wrote a 143-word editorial, which was novel, yet so difficult, it took 10 hours to write it. The editorial was published in the *Gospport*, *Pensacola Journal*, and several others newspapers throughout the country. It read:

D-DAY

"Deliverance day, doomsday, deciding destiny.

"Decetful, dangerous, devilish demagogues deny, discard, disclaim Delty—disintegrate, die, decompose—damnation.

"Domineering, despised, distrusting, disgustingly debased Duce depraves decency-deluded denizens.

"Distinguished, dashing, diligent, daring, dutiful disciples, decipher, declare, demand, dearly defend democracy.

"Despicable, describable, dastardly deeds dictate deprivation, disaster, disgrace. Defiant defense demonstrates desirable disciplinary distinction.

"Direct deliberate drive, dogged determination, definite devotion, dedication deals destructive damage, dismal death, depredation, disaster, desolation, destitution. Dangerous daggers decapitate distressed disappearing devils. Devastating death-dealing dynamite deafens, dejected, demoralized, dank, damp, dingy, dirty dens. Dreadful dreadnaughts, dynamically destroy desperate, disarranged decaying derelicts—drowning dumb double-dealing dragons.

"Dynamic democrats dethrone degenerate deceiving devils—diminish domain—disarm defrauding disillusioned dupe—denounce doom, deem demise—drum dirge.

"Don't delay depositing dough, displaying desired denunciation, doing destruction, demolishing discontented deceptive damn demons.

"Dawn, departure, dignity, devotion, dwells during democracy."

Although the above was written before the actual invasion, it turned out to be a fairly accurate forecast of events to come. Much of the forecast holds true even today.

D-day 1949 demands determination and decision—not dithering and daydreaming. Determination to intelligently plan, work—and pray—for a lasting peace. A determination to work as hard to keep the peace as we did to win the war.

Decision to pay the price of peace. True, even the price of peace is expensive but it is cheap insurance in comparison to the cost of war. Maintaining a strong military nation costs money; losing a war to an aggressor nation due to unpreparedness is more expensive.

We can all share in the building and strengthening of our Nation and insuring a peaceful future by participating in the present bond opportunity drive and investing in United States savings bonds.

Title of the Texas Tidelands

EXTENSION OF REMARKS

OF

HON. TOM PICKETT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 27, 1949

Mr. PICKETT. Mr. Speaker, under leave to extend my remarks, I include herein a carefully thought-out statement of principles on the tidelands question. The author, Mr. M. H. Stougaard, of Huntsville, Tex., evidences by the article his careful study of an issue that ought not to be in controversy and his broad conception of good principles of government. While I do not necessarily agree with the author's personal expressions in every respect, certainly the facts stated cannot be successfully controverted. The article merits careful reading and consideration by all Members of the Congress. It follows:

EARLY-DAY SUPREME COURTS FAVORED STATES IN ALL TIDELANDS DECISIONS—THE TITLE OF THE TEXAS TIDELANDS BELONGS TO TEXAS AND IS INDISPUTABLY CLEAR

(By M. H. Stougaard)

Whereas a good many citizens are not posted upon the facts regarding the title of the Texas tidelands, and the important questions involved, I have spent considerable time in order to get the gist of the facts which clearly illustrate the case.

I am indebted mostly to Mr. Bascom Giles, Commissioner of the General Land Office, for evidence there represented and will endeavor

to state these facts as briefly as possible, considering the wealth of information and the magnitude of the subject.

First, we must consider this—that the case of the Texas tideland now before the United States Supreme Court, which case was instituted by United States Attorney General Tom Clark, is but the natural outcome of the rulings of the above-mentioned Court in the California tidelands case, and it may be well to mention that if the Federal Government, in spite of evidence presented can claim the Texas tideland and all other States' tidelands, then we may as well be prepared for other claims upon other mineral resources, manufacturing plants, and so forth—yes, indeed our very homes.

Our farms and industries are at stake and States' rights may be only a relic of the past.

The decision of the Supreme Court in the California tidelands case may well be classed as a most unique decision. Heretofore, every decision in regard to the State's ownership of tidelands has been upholding the State's ownership. Fifty-two Supreme Court decisions have favored the States in this matter. Two hundred forty-four Federal courts rulings have done likewise, 49 United States Attorney Generals, unlike Attorney General Clark (a Texan), have returned opinions in favor of the States and so have 31 Department of Interior rulings.

Could it be possible that the membership of these past Supreme Courts have all been erroneous in their opinions and inferior in the knowledge of fundamental laws to the members of the present court? Could it be possible that the honorable judges composing the present Court are so much more superior in intelligence and so much better posted upon operation of fundamental laws, the Constitution of State's rights, than all the others of the long procession of highly learned and respected judges of the past?

Could it be possible that the honorable Attorney General Clark is such an intelligent giant in the knowledge of law that his opinion overshadows the opinions of his 49 predecessors who ruled differently than he did?

There have been rumors about political expedience, etc. I do not know. I shall not attempt to answer that question nor the question of the inferior or superior qualities of the Supreme Court judges in the past or at the present. That I shall leave to the readers and the citizens to answer.

I only wonder. So, I asked above—could it be possible?

In the case of *Credy v. Virginia* (94 U. S. 391 (1876)), the opinion of Chief Justice Waite said:

"The principle has long been settled in this court that each State owns the beds of all tidewaters within its jurisdiction."

Next, let us examine the rulings of the Supreme Court in the case *Martin v. Waddel* (16 Peters 367, 410 (1842)):

"When the revolution takes place, the people of each State become themselves sovereign; and in that character, hold the absolute right to all their navigable waters and the soil under them for their own common use, subject only to the rights since surrendered by the Constitution to the general government."

Quite clear, is it not? And I defy anyone, or any lawyer including the members of the Supreme Court and United States Attorney General Clark to show me anywhere where the Constitution gives the Federal Government any rights of ownership over the States' properties or lands.

But let us cite another decision of the Supreme Court in the case of *Shirley v. Bowley* (152 U. S. 1 (1894)).

"Upon the American Revolution, all the rights of the crown and of parliament were vested in the several States.

The Federal Government as first instituted was merely an agent of all the States, the

sovereignty of each State and ownership to its lands remained with the States."

The Federal Government has no more right to the tidelands not only of Texas but also of other States than you, my dear reader, have to the money in my pockets.

Time and again, the Supreme Court has ruled that the same rights and ownerships of submerged lands enjoyed by the original States were vested in other States subsequently admitted into the Union.

Let us scrutinize the decision of the Supreme Court in the case of *Pollard v. Hogan* (11 L. Ed. 565 (1845)).

"By the preceding course of reasoning we have arrived at these general conclusions: First, the shores of navigable waters, and the soils under them, were not granted by the Constitution to the United States, but were reserved to the States respectively;

"Second, the new States have the same rights, sovereignty, and jurisdiction over this subject as the original States."

A later Court ruling: *Knight v. United Land Association* (142 U. S. 161), were similar to the above:

"It is a settled rule of law in this court that absolute property in and dominion and sovereignty over the soils under the tide-waters in the original States were reserved to the several States."

Let us read the opinion of Mr. Upham, the United States Claim Commissioner, in regard to a claim made by an English citizen in 1853:

"The matter of indebtedness of Texas was a distinct subject of argument by the terms of the Union."

"According to those terms, the vacant and unappropriated lands in the limits of Texas were to be retained by her, and applied to the payment of the debts and liabilities of the Republic of Texas, and the residue of the lands, after discharging these debts and liabilities was to be disposed of as the State might direct, but in no event were the debts of Texas and her liabilities to become a charge upon the Government of the United States of America."

When the question of annexation first came before the United States Senate, one of the main objections against annexing Texas was the assumption of her public debts, Texas would have surrendered her public domain to the Union in return for the payment of this debt, but the Union refused this. And instead, it was agreed that Texas retain all her public lands to be used for payment for her debt.

In spite of the above facts, it seems strange that the Federal Government would even entertain any idea of a move to deprive Texas of her undisputed rightful ownership to her tidelands.

Below is a brief quotation of a letter from Charles H. Raymon to Ebenezer Allen, attorney general of Texas, dated May 19, 1844:

"I had a parting interview today with the President (Tyler) and the Secretary of State.

They assured me that nothing should be wanting on the part of the Executive toward insuring to Texas her just rights, after she shall have become a member of the Union."

Thus Texas was encouraged to join the United States and finally did so in good faith. Shall it be said by future historians that the trust of Texas was betrayed by the great United States? And, ironically that Attorney General Tom Clark, himself a Texan, would be instrumental in the betrayal of his trust?

The following is from the CONGRESSIONAL RECORD of the Thirty-first Congress, first session:

"Texas was admitted into the Union with specified boundaries, subject only to the rights of United States to settle all questions of boundary which may arise with foreign countries."

According to this, questions of the Texas boundary with any foreign country might

have been settled by the United States of America. But as the treaty with Mexico removed this possibility of settlement, the power of the United States was ended, and Texas retained undisputably her rights to all her borders.

Below is a letter from President Tyler, written the day before he died, to Andrew J. Donelson, charge de affaires in Texas:

"By whatever name the agents conducting the negotiations may be known, and whether they be called commissioners, ministers, or by any other title the compact agreed on by them in behalf of their governments would be a treaty, whether so-called or designated by some other name.

"The very meaning of a treaty is a compact between independent states founded on negotiations."

The above should remove all doubt that the annexation agreement was not looked upon as a solemn obligation and treaty and if you will consult your dictionary you will observe that a treaty is an agreement between two sovereign nations.

Shall it be said by historians in the future that the great United States tore this treaty up like another scrap of paper?

To follow this up, let us quote a letter from President Polk to Commissioner Donelson:

"We desire most anxiously that she (Texas) will accept the offer as made to her, and if she does, she may rely upon our magnanimity and sense of justice toward her. We will act in a way that will satisfy her."

After this, Polk also advised Sam Houston on June 6, 1845, that Texas need have no apprehension in regard to the boundaries of the Republic of Texas because the United States would not allow the boundaries of Texas to be violated or sacrificed. On June 15, 1845, Polk wrote another letter to Donelson:

"Of course, I would maintain the Texas title to the extent which she claims it to be."

What would Polk, Sam Houston and the great historic personalities say if they could observe the way the Federal Government regards the above sacred obligations at the present day?

If they but could know it, they would turn in indignation in their graves.

Let us quote from the proceedings of the Joint Committee of the United States Senate and House by whom the resolution of the annexation of Texas was made and passed March 1, 1845:

"Resolved by the Senate and House of Representatives of the United States of America in Congress assembled: That Congress doth consent that the territory properly included within and rightfully belonging to the Republic of Texas may be erected into a new State to be called the State of Texas with a republic form of government adopted by the people of said republic, by the deputies in convention assembled with the consent of the existent government, in order that the same be admitted as one of the States of this Union.

"2. And be it further resolved: That the foregoing consent of Congress is given upon the following conditions, to wit: * * *

Said State when admitted into the Union, after ceding to the United States all public edifices, fortifications, barracks, ports and harbors, navy and navy yards, docks, magazines, etc., and all other means pertaining to the public defense * * * shall retain all her public funds, debts, taxes and dues of every kind, which may belong to or be due and owing to said Republic of Texas and shall also retain all the vacant and unappropriated lands lying within its limits to be applied to the payment of debts and liabilities of said Republic of Texas."

Then follows the statement that after the debt is paid the residue of the lands may be used as the State may direct, etc. The United States later plainly showed that she was ready to honor this treaty by paying Texas \$10,000,000 as settlement in her border dis-

pute of the lands on the border of New Mexico.

I could go on quoting pages of evidence as conclusive as the evidence heretofore mentioned but have not the space, nor should it be necessary.

It will be well, however, to quote the dissent by Justice Frankfurter in the California Tidelands case:

"To speak of 'dominion' carries precisely those overtones in the law which relate to property and not to political authority. Dominion, from the Roman concept, dominion, was concerned with property and ownership as against imperium which related to political sovereignty.

"One may choose to say, for example, that the United States has 'national dominion' over navigable streams. But the power to regulate commerce over these streams and its continued exercise, do not change the imperium of the United States into a dominion over the lands below the waters.

"Of course, the United States has 'paramount rights' in the sea belt of California. The rights that are implied by the power to regulate interstate and foreign commerce, the power of condemnation, treaty power, war power. We have not before us the validity of the exercise of these paramount rights. Rights of ownership are here asserted, and rights of ownership are something else. Ownership implies acquisition in the various ways in which land is acquired. Conquest, by discovery and claim, by cession, by prescription, by purchase, by condemnation."

"When and how did the United States acquire this land?"

All the rights the Federal Government has over the tidelands is regulatory rights. The Federal Government can produce no actual, valid claims to ownership and this statement I defy any impartial judge, jury or attorney to disprove.

The loss to Texas of her tidelands would not only rob the Texas school children of billions of dollars in the future, but it would result in a loss of millions of dollars already collected by the Texas General Land Office.

The Federal administration has offered a bill of so-called compromise, which, if passed, would give back to the States 37½ cents on the dollar.

But why should we compromise when the title to our tidelands is undisputably clear? This streak of generosity on the part of the Federal Government reminds me of the hold-up man that robbed a citizen of his wallet, watch and other valuable and gave him back a nickel for carfare home.

Why is the Federal Government so persistent in presenting claims to ownership of the tidelands at present under pretense of needs for national defense, when during more than a century and a half it never even thought of disputing the States' right to ownership?

The Constitution provides control for the Federal Government, in case of emergency or war. Why is any more control needed? But the Constitution never provided for Federal ownership.

The whole story can be told in a few lines: Until the past few years, no one thought of the wealth buried under the tidelands and so long as no one knew, the Federal Government was very well content in letting the States hold the title of ownership. What the Federal Government really wants is the millions and billions of revenue that may be derived from the tidelands, not to be used for defense but in order to further present and future bureaucratic schemes. Even the politicians in favor of centralization of government realize that there is a limit on revenue from taxes; otherwise, they kill the goose that lays the golden eggs. So, some other way to raise revenues must be found, a way less painful to the voters. The tidelands offers that way, that source of revenue.

It has been argued by some that the tideland fight is a fight by and for the large oil corporations.

While the oil corporations, I believe, would rather deal with the States avoiding bureaucratic red tape and inefficiency, it matters not a great deal for the oil industry directly, as they will have to pay the Federal Government about the same royalties as they pay the States. But indirectly, the oil industry may be affected as well as any other industry in the Nation.

If the Federal Government can take away title from the States to submerged oil lands, what will prevent it in the future from putting in claims on and to all the industries, or to your farms, your homes, your businesses, your little peanut stand; yes, even your own individually treasured freedom of the past?

Wake up, America. The time is long past due to awake. Unless you do you may wake some day to find yourself enslaved, under a socialized, totalitarian regime. State and individual rights have been the foundation of American expansion, civilization, and growth. Centralization of Government is dangerous. It leads to the road of totalitarianism, dictatorship, and tyranny, and liberty will cease to exist.

I have heard arguments that the Texas school children have to divide with the oil industry and only receive \$1 for every seven the oil companies get. If this is true, would it not be better than to divide up with a bunch of Federal bureaucrats to the tune of 62½ cents on the dollar they got from the oil industry for the Federal Treasury and only 37½ cents for the Texas schools.

And as for the \$7 to the one for the schools, have you ever stopped to think where that \$7 went?

First, to promote new wells, to bring increased wealth; next, to equipment which made possible for other businesses and manufacturers to employ labor at fair wages. And also in salaries for the millions of well-paid employees of the oil industry and its by-products. These millions again go back into trade channels and their employees and suppliers and producers, thus creating more wealth, more employment, more prosperity.

The writer holds no oil stock, is not employed by any oil corporation, nor am I obligated to anyone connected with the oil industry.

But let us be fair. I believe that I could conclusively state that had it not been for the oil industry, the prosperity of Texas and the prosperity and enormous expansion of the city of Houston might have been a different story.

So, let all loyal Texans join in this, our common battle to retain our Texas tidelands. It is a cause in which we all can take part. It is a fight for the future of the children of Texas—your children.

Address of Hon. John Davis Lodge Before National Convention of Young Republicans at Salt Lake City, Utah

EXTENSION OF REMARKS

OF

HON. KENNETH B. KEATING

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 27, 1949

Mr. KEATING. Mr. Speaker, under leave to extend my remarks, I include the keynote address of our distinguished colleague, Mr. LODGE, of Connecticut, delivered at the national convention of

Young Republicans held at Salt Lake City, Utah, on Thursday, June 23, 1949.

This trenchant analysis of the issues which confront our country and the course which the Republican Party should pursue in meeting them is characteristic of this penetrating student of government. It deserves thoughtful reading by those who disagree, as well as those who agree. It is the forward-looking product of one who obviously places the welfare of his country first. Along this path, he contends, lies the future glory of his party.

Representative LODGE's address follows:

Mr. Chairman, fellow Republicans: This is a great occasion. It augurs well for the future of our party and for the Nation. I welcome the privilege of meeting with you in Salt Lake City to celebrate real Republican principles and to plan truly Republican policies.

The Young Republicans did splendid work during the 1948 campaign. I believe that the Republican Party must adopt much of the thinking of the Young Republicans if we are to achieve victory in 1950 and 1952. Political parties should not be exclusive clubs. The Republican Party needs the increased participation of Young Republicans. In order to translate the needs and aspirations of the American people into effective political action, the Republican Party must become impregnated with young ideas.

I believe that the Republican Party must, in its platform and in its actions, reflect the fundamental divisions of thought among the American people. I believe that our party must not be an obstructionist party. It is not sufficient for us merely to carp, to criticize, and to condemn. We must above all conserve, construct, and create. I believe that our party must not be a me-too party; not follow and imitate while others lead and create. I believe that we must not be horse-and-buggy die-hards; we must get the moss off our backs in order to get the country on its feet. I believe that we must be affirmative. I believe that we must confront the people of this country with constructive feasible alternatives. The American people want a choice. I believe that if the Republican Party acts in the tradition of Lincoln the people will choose Lincoln's party.

You who are taking such a significant part in your party's work realize that we are living through perilous and difficult times in which the victory which we won at such tragic sacrifice in human life and such a vast expenditure of national treasure seems to be slipping from our grasp.

Few of you can recall the time when our Government was not a sprawling overlapping bureaucracy sapping the economic strength of our Republic by schemes concocted for the increased power of the bureaucrats rather than for the welfare of the people. And yet most of you have understood well, better, I venture to say, than many of the older members of our party, that the true function of the Republican Party is to maintain individual freedom.

That freedom is threatened. There are sinister forces at work attempting to substitute government by decree for government by discussion. But the presence of these forces seems to me merely to underscore the essential challenge and to define with dramatic clarity the true mission of the Republican Party.

It is true that communism is on the march. It is true that the present administration has failed to deal effectively with the Communist menace in many of its foreign and domestic aspects. It is true that the President has characterized spy trials and investigations undertaken to protect America against Communist infiltration as red herrings, headline hunting, and hysteria. It is true that the Democrat Party has lost

The Tidelands and Oil

EXTENSION OF REMARKS

OF

HON. WINGATE H. LUCAS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 1, 1949

Mr. LUCAS. Mr. Speaker, Mr. Robert E. Hardwicke, of Fort Worth, Tex., a leading member of the Texas bar, and an eminent authority on oil and gas law, has written an article on the subject of tidelands oil which was published in the June issue of *Atlantic Monthly*. Mr. Hardwicke was associate counsel and later chief counsel for the Petroleum Administrator for War. Because his paper, entitled "The Tidelands and Oil," contains such valuable information on this subject, I ask that it be printed in the Appendix of the RECORD for the benefit of my fellow Members of the House.

THE TIDELANDS AND OIL

(By Robert E. Hardwicke)

I

A new frontier, one-tenth the size of the United States, and rich in petroleum and other natural resources, extends seaward from our shores. This frontier, often called the tidelands, is that part of the Continental Shelf covered by the comparatively shallow waters of the Gulf of Mexico and the Atlantic and Pacific Oceans.

The ownership of this belt of submerged lands and the right to take its resources are now in dispute. The protagonists are the Federal Government on one side, and a large majority of the States on the other. That it will be a bitter contest seems inevitable—a contest involving difficult questions of law and troublesome questions of policy.

Our present economy and our future safety depend heavily on petroleum. If we are to be prepared against sudden attack, we must have adequate petroleum supplies in this country, and we should not rely on foreign sources. It is not enough to know that, with time and unlimited money, large new deposits could be found inland, and also outward under the seas. There may be billions of barrels of oil in the Continental Shelf, but that oil will be of little use until it has been discovered, developed, and made available in adequate quantities at the right place and time.

It takes more than courage and hard work to get crude oil on short notice out from under the seas, and its refined products into the possession of the armed forces. Skill can be commanded by the Government, organization can be achieved, money can be had, costs can be ignored in an emergency; but you can't buy time.

The story of the search for oil deep under the seas is interesting enough to justify the telling, even if it were not enlivened by the quarrel over who owns it or who should control its development. The outcome of this quarrel will inevitably affect all the States and may even change materially our dual system of Government.

Our Continental Shelf, in area about 290,000 square miles (Alaskan portions excluded), extends to the line where the gradual seaward slope of the continent steepens rapidly into the abysmal oceanic basis. The line marking the 100-fathom depth (600 feet) is ordinarily considered the edge of the shelf. Its width varies from about 5 miles on parts of our western coast to some 140 miles at the Texas-Louisiana line, and more than 175 miles off the New England and Florida shores. The approximate areas of the

portions of the shelf bordering the different coasts also vary materially: the Pacific coast, 18,500 square miles; the Atlantic coast, 127,000 square miles; and the Gulf of Mexico, as much as 144,000 square miles.

The shelf itself as distinguished from the waters above it, contains many valuable resources, such as oysters, clams, shells, kelp, sponges, and sand, as well as salt, sulphur, oil, gas, and other minerals. Already large deposits of oil and gas have been discovered off the shores of California, Louisiana, and Texas, and it is with these resources and the Gulf Coast area that we are now primarily concerned.

Petroleum was first discovered in the shelf in 1894 when a well was drilled from a platform over shallow waters off the coast of California. The search for underwater deposits in that area was further stimulated in 1927 by the discovery that the drilling bit, instead of going almost straight down, would drift so that a well started on or near the shore might slant seaward and penetrate the producing zone at a point beneath deep water a considerable distance from shore. By 1935, California operators had perfected methods of controlling the drift or of conducting directional drilling; consequently, a well could be started on shore and be bottomed with astounding accuracy close to a predetermined point under water a considerable distance from the starting point.

The present and potential value of the petroleum deposits in the shelf which can be produced at reasonable profit may be very great. Despite the difficulties encountered in development of the Pacific shelf, where deep water is close to shore, the total production of four fields producing from the California shelf up to January, 1949, has amounted to about 152,000,000 barrels of oil, worth about \$2.50 a barrel at present prices. The future production from those four fields was recently estimated at about 168,000,000 barrels. Great quantities of valuable gas are also produced along with the oil.

Although production in the Gulf of Mexico far off shore has hardly begun, it is very probable that much oil will be found. Already 11 separate fields have been discovered off the Louisiana shore, and 3 off the Texas coast. In the 31½-mile strip (27 nautical miles being the seaward boundary of Louisiana and Texas as declared by statutes of those States in 1938 and 1941) there are about 16,000,000 acres claimed by Louisiana, of which some 12 percent are under lease, and about 19,000,000 acres claimed by Texas, with approximately 2 percent under lease. The seaward boundary of Texas was further extended by statute in 1945 to the outer edge of the shelf. Whether a State can extend its boundary without the consent of the Congress is a question beyond the scope of this article and will not be discussed.

Estimates of oil reserves (oil recoverable at reasonable profit) in the 31½-mile strip along the Louisiana and Texas shores range from 4,000,000,000 to 10,000,000,000 barrels. These estimates are not based on fanciful speculation or unreasonable assumptions. In comparison, the total 1948 production of crude oil in the United States was little more than 2,000,000,000 barrels, and the total proved oil reserves (probable recovery from deposits already discovered) were estimated at less than 24,000,000,000 barrels—a figure which of course does not include the tidelands.

The stakes are high, and so is the ante, yet a few operators are taking the gamble and risking millions. They have leased from the States enormous areas of the shelf in the Gulf and lower Atlantic. The approximate areas leased and the approximate bonuses (cash payments for the purchase of leases) paid to the States since 1944 are as follows: Florida—\$29,000 for 6,500,000 acres; Mississippi—\$111,000 for 800,000 acres; Louisiana—\$26,500,000 for 2,541,604 acres; Texas—\$7,300,-

000 for 370,000 acres; a total of \$33,940,000. In addition to the bonuses, operators have paid to the States large amounts in annual rentals (payments made to keep a lease in force until drilling is commenced), and are obligated to pay royalties (usually one-eighth) on oil and gas produced and saved. No areas off Mississippi and Alabama are currently covered by leases. At the present time, the Louisiana and Texas coasts offer the best opportunities for successful development, and most of the activity is in that section.

II

With the purchase of the leases, an operator's troubles begin. Assuming that he has leased an area located some 20 miles from shore and under 40 feet of water, he must first locate the tract accurately, and then find some practical way to keep it readily identified. Obviously, the ordinary methods of marking boundary lines (stakes, pipes, trees, and rocks, with bearings on nearby objects) cannot be used. Triangulation and shore (a specialized type of radar) are used and positions are described by latitude and longitude. In a very real sense, a tract is often tied to the stars.

Having located the area, the operator must then decide whether the earth formations are such that, at reasonable depth, oil and gas in large quantities might be trapped. More than a hunch or an intelligent guess is required to justify the expense of drilling even one well in deep water.

Usually the operator will drill if he has an indication of a "high" or a domal arrangement of the strata far beneath the ocean floor. Along the Gulf mainland, many subsurface highs have been located which were formed by movement of bodies of salt. Such domes are found by geophysical methods. During geologic time, great salt beds accumulated in the region of the present Gulf coastline of Louisiana and eastern Texas, and were eventually covered by many layers of sedimentary material which finally became rock. The weight of the sediment, combined with other causes, such as folding and faulting, forced the salt masses to move or flow, following the lines of least resistance, usually upward. The effect locally was about the same as if a gigantic plug of salt, shaped something like a bullet with a diameter up to 5 miles, had been pushed by tremendous hydraulic pressure upward against the covering strata of rock, bending some of them into domal shapes, and sometimes actually breaking through several layers. The resulting shapes of some of the layers of rock, called structures, were favorable for the accumulation of oil and gas.

The task of collecting and interpreting accurately the geophysical data, and of correlating them with a great mass of other data concerning subsurface conditions in the area, requires the skill of geologists, geophysicists, paleontologists, and other specialists.

Having found what appears to be a favorable structure, the operator who elects to drill must then overcome innumerable difficulties not encountered on dry-land operations. Offices, camps, supply depots, repair shops, and giant cranes or other lifting devices must be established on shore and be duplicated in part at the well site, and many forms of expensive water transportation are required.

A real challenge to ingenuity comes with preparation for drilling operations. Here, 20 miles from shore, is our assumed location for the well in 40 feet of water. Safe and comfortable living quarters must be devised for the men, and adequate space must be provided for great quantities of heavy machinery and materials. The discomforts and dangers of burning sun, cold winds, fogs, ocean currents, and waterspouts (a species of tornado) must be met; also, the frequent danger from sudden line squalls which, though of short duration, have wind velocities up to 75 miles

an hour. Finally, adequate protection must be provided against hurricanes, common in the Gulf, frequently with winds of over 100 miles an hour and with 30-foot waves. In spite of all these and other difficulties, the operator hopes to carry on operations around the clock, without costly delays for lack of men or materials.

Operators have met the physical challenge in a variety of ways, showing a versatility characteristic of our competitive system. One operator constructed a giant, double-decked structure on 100 piles driven from 150 to 200 feet into the Gulf floor, capable of sustaining a load of 10,000,000 pounds.

A more common arrangement makes use of a smaller platform for the derrick and drilling equipment, supplemented by a barge, usually a converted LST, securely anchored and moored to serve as a floating warehouse, repair shop, and houseboat. When a well is finished, either as a dry hole or producer, the barge can be readily moved to another location.

One operator is now building a huge double-decked structure especially designed so that it may be easily dismantled and moved from one location to another.

From most of the structures in the deep waters of the Gulf, several wells can be drilled to test a relatively large area. This can be done by directional drilling so that the bottoms of the wells are widely separated though the wells are started in a cluster on the platform. Already drilling operations are being conducted in approximately 60 feet of water in the open Gulf, and operators claim that before long they will drill in water 100 feet deep. Wells have been drilled in Lake Maracaibo, Venezuela, in water that deep, but there the waters are quiet and the difficulties not so great as in the open Gulf.

III

The operators have taken great care to make the men comfortable, to protect their health, and to provide for their safety, both ashore and in the Gulf. Under one typical arrangement, the men stay 20 days at the well, then go ashore for 10 days. At the drilling sites, pure water is obtained by distillation. Operators do not use gasoline in any boat or at any location, such as a drilling platform, where it would be dangerous to do so. Radar and radio telephones are standard equipment, and are put to many uses. Special studies have been made of currents, winds, and wave action in the Gulf, and operators are cooperating with the United States Weather Bureau in securing information as to the weather, especially adequate advance information of line squalls and hurricanes. The science of oceanography is being extended, under conditions existing in the Gulf, with new experts in that field being developed by the oil companies.

The problem of keeping the seas out of a well is relatively simple. A string of pipe of large diameter (20 inches or more) is lowered from the drilling platform to the bed of the sea and then driven at least 100 feet into the ground. The upper end extends to the platform, the lower end is considerably below the bed of the sea; consequently, the sea is effectively cased off, though the pipe is full of sea water. The drilling bit, attached to a string of drill pipe, is then lowered through the water-filled pipe. The weight of the equipment may carry the bit through many feet of mud and silt.

Actual drilling begins by rotating the drill pipe, thereby rotating the drilling bit so that it will penetrate the sea bed, cutting or breaking up the rock and other material at the bottom of the hole. During drilling operations a fluid, usually called mud (water, mud, and other substances carefully selected and mixed to proper weight and consistency), is continuously pumped under considerable pressure down the hollow drill pipe, through openings in the bit to the bottom of

the hole where the fluid mixes with and collects the cuttings and carries them to the surface. The sea water originally in the pipe is soon displaced or pushed out.

Should oil or gas in quantity be discovered far from shore in deep water, unusual problems of production, storage, and transportation are presented, far different from those encountered in operations on dry land. All activities in the Gulf present bewildering problems of marine transportation, especially in the frequent periods of fog and high winds. Many types of vessels are used, such as speedboats, launches, tugs, barges, shrimp trawlers, luggers, cargo carriers, houseboats, yachts, and others, some of which are queer hybrids. These are also converted naval craft—subchasers, air-rescue boats, Navy YF barges, LST's, LSM's, LCT's, and LCT's—carrying on strange activities for warcraft.

The public records show that 28 companies own leases or an interest in leases covered by the coastal waters of Louisiana and Texas. Among this group, 14 of the 20 largest companies own leases directly or through subsidiaries. About half of the owners are individuals or smaller companies. Few operators have been willing to take the financial, legal, and political risks that are inherent at present in operations in the Gulf of Mexico.

The cost of carrying on deep-water operations is very great. Seismograph crews cost more than \$1,000 a day; drilling costs average about \$3,000 to \$4,000 a day; complete drilling platforms for deep water vary in cost from \$200,000 to \$2,000,000. Aside from the cost of the platform, the expense of drilling a well in deep water to 14,000 feet is estimated to be about \$500,000. One company had spent a total of \$18,000,000 on Gulf leases, exploration, equipment, and operations up to January 1, 1949, with only two fields to show for it.

The amount spent in gulf operations by all companies since the middle of 1945 has been estimated at more than \$100,000,000. To offset this, the cumulative production of oil to date from wells in the gulf, excluding the Creole Field, which was discovered close to the Louisiana shore in 1938, is about 130,000 barrels of a value not exceeding \$300,000. The companies are, therefore, some \$100,000,000 in the red and are still spending millions. At least 16 dry holes had been drilled off the Louisiana coast, and nine off the Texas coast, up to January 1, 1949.

IV

In addition to physical, financial, and economic problems, operators are also faced with the claim by the United States that their lessors, the States, had no title to the land leased and no right to control the development of the resources.

The California Legislature, assuming that the State owned the seaward area out to its western boundary line (3 English or statute miles from shore), provided in 1921 for its development under State leases. Several oil fields were discovered within a few years, so that the value of the petroleum resources of the strip was evident by 1937. That was the year when Gerald P. Nye, United States Senator, questioned the title of California and other littoral States to the offshore strip, and tried unsuccessfully to persuade the Congress to declare that the strip was part of the Federal public domain. Indeed, the Congress even refused to direct the Attorney General to file suit to determine the question of title. Similar resolutions were introduced in several succeeding sessions of the Congress, but all failed to pass.

Unquestionably, there were many decisions by the Supreme Court of the United States, and there were other legal and historical precedents, which apparently established title in California and other littoral States to a line at least 3 statute miles from shore. Officials of the United States, in-

cluding Harold L. Ickes, as Secretary of the Interior, had, before 1937, formally declared that the individual States, not the United States, had title to the strip and the right to grant permits for the development of oil and gas. Mr. Ickes, in 1937, took the position that, since the title of the States to the strip had been questioned, the issue should be settled in the courts. He testified before a joint committee of the Congress in March 1948 that it was President Roosevelt who had raised the question of title in 1937, and he (Ickes) and the Secretary of the Navy had promptly urged the Attorney General to file suit. No suit was filed until 1945, though President Roosevelt, himself, had suggested it in 1937, and through various Cabinet officers and others in high places urged the Attorney General to commence legal proceedings to determine whether the United States had title to the submerged areas.

During the period 1937 to 1945, offshore development continued in California. Its beginning in the Gulf of Mexico was in 1938, when oil was discovered in a well drilled in relatively shallow water about a mile from the Louisiana shore in what is known as the Creole Field. The second field, Rabbit Island, was discovered in 1942 some 7 miles out in the Gulf close to Rabbit Island. Some operators do not consider these fields to be in the Gulf, but in any event the production proved that fields would be found in open water; so large areas were leased in August 1945, from Louisiana, and plans were made to start extensive operations. Because of World War II, new operations in the Gulf were virtually impossible during the period 1941 to 1945, but operations began on a large scale after the war, as soon as materials were available.

All this development took place under State leases. Beyond doubt, the States and oil operators had reason to be confident that the Supreme Court of the United States would hold against the United States in the suit brought against California. This the Court did not do.

By a 6 to 2 decision announced June 23, 1947, the Court declared, in an opinion by Mr. Justice Black, that California did not own the belt extending three English miles (3 x 5,280 feet) off her coast, but that the United States, because it had to protect the country and conduct our foreign relations, had paramount rights in and power over the area, an incident to which was full dominion over its resources, including oil. The opinion of the majority admits that prior decisions of the Court justified the belief that the "States not only owned tidelands and soil under navigable inland waters, but also owned soils under all navigable waters within their territorial jurisdiction, whether inland or not." In spite of these prior decisions, the Court held that California did not own the strip, but the Court refused to declare that the United States was the owner. Justices Frankfurter and Reed dissented. Mr. Justice Jackson took no part in the decision.

V

The implications of the decision are alarming and go far beyond the clouding of titles of States to offshore areas and to the beds of navigable streams and inland waters. The reasoning may logically be extended to inland waters and areas and to the resources of the uplands. Most of the States are joining the littoral States in fighting extension of Federal control by such a doctrine, and are urging the passage of legislation which will restore the status which was thought to exist prior to the decision in the California case, or give paramount rights to the States.

Nevertheless, Attorney General Clark has asked leave of the Supreme Court to file suits against Louisiana and Texas, announcing that the decision in the California case is a conclusive answer to the claims of those two States. According to the Attorney General, it is wholly immaterial that Texas, as a

recognized independent nation for about 10 years (1836-1845), came into the Union under a formal agreement with the United States that Texas would retain all the vacant and unappropriated public lands lying within its limits, and would cede to the United States only edifices, forts, barracks, fortifications, navy yards, and other means pertaining to the public defense."

At that time (1845) and on subsequent occasions the United States recognized the southern boundary of Texas as extending to a line 3 leagues (10.5 statute miles) from shore. Yet now the Attorney General of the United States seeks to file suit to obtain a decree by the Supreme Court declaring that the United States, not Texas, has title to the belt and the right to control the development of its mineral resources. One State official was so disturbed by the action of the Attorney General that he suggested secession and the return of Texas to its status as an independent nation.

Since the decision in the California case, various bills have been introduced in the Congress which would release to the States any claim of the United States to the beds of navigable rivers and inland waters, and would release to each littoral State all claims of the United States to the beds of the sea to a line three nautical miles (3 x 6080.20 feet) from shore, or to a line representing the seaward boundary recognized by the United States, as far as 3 miles from shore. A similar bill quitclaiming the seaward areas was passed by the Congress in 1946, while the California case was pending, but was vetoed by President Truman in the closing days of the session. Several bills of that nature are now pending.

The Council of Governors, the Council of State Governments, and the National Association of Attorneys General, in accordance with resolutions passed by almost unanimous votes of the representatives of those organizations, have actively supported quitclaim legislation, and have expressed great concern over the extension of Federal power and control over State and private resources which is implicit in the language and holding of the California case. These organizations have also vigorously opposed bills which would undertake to place the resources of the shelf under the control of an agency or department of the Federal Government.

The value of the resources of the shelf may be very great, and undoubtedly there will be sensational appeals to greed and prejudice. Already the cry has been heard that the big oil companies, by favoring State ownership and control, are trying to grab the vast and wealthy Federal domain represented by the tidelands, and that this steal should be prevented.

It must be emphasized that the littoral States for more than 150 years have exercised power and control over the resources of the tidelands, and for years have leased areas of the shelf for oil development. No adverse claim of title or superior right was made by any official in behalf of the United States before 1937, and even that claim was generally thought to be unsound, really fanciful, until the Supreme Court announced its decision in the California case in 1947.

The States and their lessees must have rights and equities which, as between private litigants, would be tantamount to title; otherwise the administration would not have sponsored bills providing that a person holding a lease issued by a State before June 23, 1947, or even at a later date, could, under certain conditions and upon the recommendation of a board, exchange it for a Federal lease containing in many respects the same terms as the State lease. The bills also provide that neither the States nor the operators shall be liable to the United States in damages on account of oil or gas produced before June 23, 1947. One of the bills would allocate to the States a part of the royalty received by the Federal Government from

production. Clear it is that the States, not the oil operators, are the ones faced with the greatest loss, and are the real opponents of the Federal Government in this controversy.

Why should the sinister label of "land grab" be used to describe the efforts of the States (even though they may be aided by their lessees) to induce the Congress to pass a bill which would settle questions of title or control in favor of the States—thereby establishing rights which were recognized as theirs until June 23, 1947? Indeed, if the term "land grab" is to be used, there is some justification for saying that the United States has made the grab.

Federal control has not been urged as a method for getting the Government into the oil business. Neither has Federal control been advocated because the States might not enforce adequate conservation measures. Nor has Federal control been proposed as a means of getting a new or better group of operators than those who hold or could acquire leases from the States. No claim has been made by the advocates of Federal control that petroleum supplies were lacking during our two world wars because the Federal Government did not have control of oil development onshore or offshore. This brings the discussion to what might be expected if an agency of the Federal Government should be authorized to grant leases and control offshore operations.

It has been argued that the laws and their administration pertaining to the development of the Federal domain for oil and gas for a period of 28 years (1921-49) indicate what is likely to happen if the Federal-control bill becomes law. It has been said that the Teapot Dome scandal is proof that Federal officials are not always honest, although there was no intention to say that Federal control of the development of the shelf would probably result in a similar scandal. It can be said, however, that the laws and administration of the public domain have often been publicly described as most unsatisfactory in comparison with State laws and administration.

The Mineral Leasing Act was the cause of many complaints by operators, but this the Congress finally recognized by long-delayed revision of the statutes in 1946 for the declared purpose of stimulating production on the public domain. The Department of the Interior, administrative agency under the act, has improved many of its regulations, forms, and practices to encourage development and meet objections, so that complaints as to administration of the Mineral Leasing Act have materially decreased; however, some justifiable grounds for dissatisfaction still remain.

The history of the administration of the Mineral Leasing Act indicates that inefficiency is inherent in an arrangement which places control of great faraway areas and activities in a Federal agency in Washington, subject as it is to inevitable frustrations and restrictions which can be blamed only in part upon inadequate appropriations. Perhaps much of the blame rests upon civil-service laws and the volumes of regulations and rulings which govern the employment, transfer, promotion, discipline, and discharge of employees, and to a considerable extent govern the rates of pay—giving little discretion in those matters to the officials of the agency. The situation is quite different from that prevailing in industry and in most State agencies.

Regardless of the ability of top-rank Federal officials, no way seems to have been found to avoid a complicated routine or red tape with little flexibility, often affecting judgment and always slowing the processing of papers and the announcement of final decisions, even minor ones, to such an extent that planning by operators is made most difficult. The delays and uncertainties have been maddening. Moreover, Federal laws, leases, and regulations still impose upon operators obligations which are generally

considered by them to be unnecessary and to confer powers upon the Secretary of the Interior which authorize arbitrary action with respect to important operations.

This much is certain: Development of the public domain for oil and gas has not been comparable to the development of private lands or the public lands belonging to States. There is no indication that Federal laws and administration with respect to the reserves of the shelf will follow a different pattern, much less a better one. On the contrary, the bills sponsored by the Administration are unusually restrictive and harsh. For instance, they would require each lease to provide that the Secretary could control the rate of development and the amount produced as he thought advisable "in the interest of national defense or the public welfare." Each lessee would be required to agree that the Secretary, during war or national emergency declared by the Congress or by the President, could suspend operations under a lease, or even cancel the lease, in which latter event the Government would be obligated to pay the lessee "an amount determined in accordance with regulations promulgated by the Secretary which incorporate guiding equitable principles." These are amazing provisions.

It may be said that the operators would be authorized by the administration bills to supply capital, materials, and men, and take all the risks, while many of the usual functions of management would rest in the Secretary of the Interior. He would also have the power to cancel the lease and pay damages in accordance with his own ideas of values and fairness. Provisions of that nature would not be likely to stimulate leasing or development.

This country needs oil and gas in great quantities. Logically operators should be induced in every reasonable way to develop without delay the petroleum resources of the shelf. Federal control is bound to be a deterrent of great magnitude. Under State control the operators have a brilliant record of achievement, overcoming the impossible almost every day. A prompt disposal of the controversy by the Congress in favor of the States will undoubtedly cause an increase in development activities, and will also avoid the strain and bad feeling which are inevitable if the issues are to be settled by further litigation and by bitter contests in the Congress.

Grasshopper Damage in the West

EXTENSION OF REMARKS

OF

HON. USHER L. BURDICK

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 5, 1949

Mr. BURDICK. Mr. Speaker, the grasshoppers are on the rampage again in Wyoming and Montana and are spreading eastward. The Bureau of Entomology are aware of the scourge and with extra financial help now, it is possible to prevent an old-time sweep of this scourge across the entire West. I add here a letter just received from the Northwest grasshopper committee under date of June 30:

NORTHWEST GRASSHOPPER AND
OTHER INSECT CONTROL CONFERENCE,
Minneapolis, Minn., June 30, 1949.
Hon. USHER L. BURDICK,
House of Representatives,
Washington, D. C.

DEAR REPRESENTATIVE BURDICK: Grasshoppers are causing severe damage to range lands in northeastern Wyoming and the adjoining