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PREVENTING LEASING OF STATE-OWNED TIDE OR BEACH LANDS FOR MINERAL AND OIL PRODUCTION

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determined by the commission. This would establish an artificial standard of requirement. Only producers may participate in the election of commissioners. This will mean that land-owners and lessors, many of whom have held their land for years, will be deprived of any voice in the election of commissioners, who in turn will recommend to the Director of Natural Resources the quantity of oil to be produced. It is a further fact that the members of this commission are to serve without pay and only those who have independent means or interest to serve, can afford to offer themselves as candidates.

I am in favor of conservation, but I do not believe that this is a true conservation measure. There should be a balance between production and consumption, but that balance

should be struck by the law of supply and demand, and not by an artificial set-up. It does not seem fundamentally sound to permit the producers alone to determine the quantity of oil or gas that shall be produced.

The enforcement of the act would create at once many additional political employees. We are already suffering from excessive interference and regulation by State agencies. More commissions means more taxes. The act is not in the public interest and not in response to public demand. It seeks to repeal the natural law of supply and demand, which is the sole protection of the people as consumers.

The measure should be defeated. Vote "NO."

RAY W. HAYS,

State Senator, Thirtieth Senatorial District.

PREVENTING LEASING OF STATE-OWNED TIDE OR BEACH LANDS FOR MINERAL AND OIL PRODUCTION. Act submitted to

2 electors by referendum amending political code section 675, as amended by chapter 325, statutes of 1931; eliminating therefrom subdivision 10, which authorizes the director of finance to lease state tide or beach lands for production of minerals, oil, gas or other hydrocarbons, and by such elimination reestablishing statutes of 1929, page 944, prohibiting leasing by state or any state official of tide or beach lands or submerged lands for drilling for oil or gas.

YES

NO

(For full text of Measure, see page 6, Part II)

Argument in Favor of Preventing Leasing of State-Owned Tide or Beach Lands for Mineral and Oil Production Referendum Measure

The attempt to prevent this measure from becoming effective is inspired solely by the hope that its defeat will permit oil drilling on beaches belonging to the State. The real purpose of the referendum is not disclosed by the text of the statute. On its face the bill appears only to be one which enumerates the powers of the Director of Finance. There was, however, another bill passed by the last Legislature to similar effect with the important exception, however, that in addition to the powers enumerated in this measure it authorized him to lease State lands including tidelands and beaches for oil drilling. If the later bill, which is the subject of this referendum, were to be defeated, the earlier bill would become automatically effective and the power to lease beaches for drilling, which the Legislature took away, would be restored. The clause concerning oil leases is the only point of difference in the two statutes and when their history is explained the hidden motive in the attempted defeat of the present measure becomes obvious.

In 1929 the Legislature, in response to the insistent demand of the people, particularly from the southern part of the State, passed a law prohibiting the issuance of any new permits for drilling on State tidelands. Selfish interests have persistently sought to defeat the purpose of this law and several measures were proposed by them in the 1931 Legislature to modify its effect. All of these attempts were

frustrated because of the recognition by the administration and the Legislature of the will of the people and of the necessity of preserving our beaches from further spoliation.

One attempt, however, nearly succeeded through the authorization to lease tidelands, which was surreptitiously included in the administration measure which was originally designed merely to classify and enumerate the powers of the various administrative offices. It was discovered immediately and a corrective measure was passed the following day. It is this law which the sponsors of the referendum seek now to defeat in the hope that an entering wedge for their beach drilling campaign may be found in the rejected statute which would thus become effective.

The proposition is a very simple one. If you believe that the beaches should be preserved for the people of the State, vote "YES."

BERT B. SNYDER,

Forty-second Assembly District.

WILLIAM G. BONELLI,

Fifty-fourth Assembly District.

Argument Against Preventing Leasing of State-Owned Tide or Beach Lands for Mineral and Oil Production Referendum Measure

VOTE NO on Chapter 326, Statutes of 1931, relating to the Department of Finance, and reduce your taxes.

There are millions of barrels of oil underlying State lands now being drained by private cor-

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porations controlling adjoining property, who pay the State nothing.

If the State could lease the land from which this oil is being drained, millions of dollars would start flowing into the State Treasury. This would ease the taxpayers' burden.

Private interests are opposed to the leasing of such State-owned land. They want to take oil from under State lands without paying the State anything for it.

These private interests are trying to create a smoke screen by yelling "protect our beaches." These same companies are now producing millions of barrels of oil within a stone's throw of such state-owned land. Where this has occurred the beach has already been ruined. In a few years the oil will have been drained into the coffers of private corporations, unless you VOTE NO and permit the State to develop its own property.

The intent of the sponsors of this Referendum is to allow the Director of Finance to lease certain proven oil lands at Huntington Beach in Orange County owned by the State. The adjoining acreage is controlled by ONE oil company, who has received approximately \$6,000,000 from oil produced within 200 feet of said state-owned lands in the last four years.

If you VOTE NO you will approve the stand taken by the UNANIMOUS Legislature of 1931, which approved of the development of said oil lands at Huntington Beach. Oil geologists declare these state-owned lands now being drained by one private oil company have a potential capacity of one hundred million barrels of oil. The State will be deprived of

any income therefrom, unless you VOTE NO.

The committee of the Legislature to examine into the leasing of tidelands for oil, made a thorough investigation of the situation and made a report to the Legislature of the oil development as follows:

"* * * we report that we have examined into the situation created by the leasing of tidelands for oil * * * from the leases mentioned, there has been produced oil and gas valued at \$7,768,632.29 which is an addition to the wealth of the people of the State of California, made possible through this source."

This bill is designed to deprive the State of additional similar income. VOTE NO.

Drilling for oil on State lands at Huntington Beach has been approved by the City Council of that city and the Board of Supervisors of Orange County, and by the Chambers of Commerce of Huntington Beach, Long Beach, Wilmington, Santa Ana, San Clemente and other communities, and by leading newspapers in the area.

VOTE NO and help to decrease the tremendous burden of the taxpayer, and save to the State some of the income now going to private interests who are draining these STATE-OWNED lands.

Respectfully submitted.

ELSON G. CONRAD,
Mayor of the City of
Huntington Beach.

L. W. BLODGET,
City Attorney of the City of
Huntington Beach.

modify, suspend in whole or in part, or rescind any order theretofore made by it pursuant to the provisions of this act.

Sec. 10. Any producer of crude petroleum oil or operator of any drilling or producing well or wells, or owner or operator of any storage facilities of crude petroleum oil, and/or refined products, referred to in this act, or employee thereof, who refuses to permit the commission or its representative to inspect the same, and every person, firm, association, corporation, trust or syndicate, whether as principal, agent, servant, employee or otherwise, failing or neglecting or refusing to furnish any report or record or statement which may be required pursuant to the provisions of this act, or who willfully renders or furnishes a false or fraudulent report or statement or record, is guilty of a misdemeanor.

Sec. 11. If any person, firm or corporation violates any order of the oil conservation commission made hereunder and persists in such violation after having been given notice of said order as herein provided, the director of natural resources of this state may, and upon request of such commission must, bring an action by complaint in equity in the name of the people of the State of California against such person, firm or corporation in the superior court for any county in which any of the property covered by such order is situated, to restrain the commission of waste as herein defined. There may be joined in the same proceeding any number of defendants alleged to be violating the same order, although their properties and interests may be severally owned, may be situated in several counties, and their actual violations of the order may be separate and distinct. In such action the court shall enjoin the defendants from violating said order or may find to what extent waste is being committed as herein defined regardless of said order, and enter judgment accordingly. In event the order is determined to be invalid, the court may dismiss said

action without prejudice to the right and jurisdiction to conduct further hearings and make a new order in the premises by giving notice thereof as is in this statute provided. In any action for injunction brought hereunder a restraining order shall be issued ex parte otherwise the procedure shall be governed the provisions of chapter III, title VII, part 2, of the Code of Civil Procedure of the State of California and pending appeal no temporary or permanent injunction issued in such proceeding shall be refused or dissolved or stayed upon the giving of any bond or undertaking, or otherwise.

Sec. 12. The department of natural resources shall annually on or before the first Monday in March, acting in conjunction with the state board of control, make an estimate of the amount of moneys which shall be required to carry out the provisions of this act. Said amount of money shall be provided by assessments which shall be levied, assessed, equalized and collected in the manner and at the same time as is provided for the collection of the charges under the provisions of an act entitled "An act to protect the natural resources of petroleum and gas approved June 10, 1915, chapter 718, amended 1917, chapter 759, amended 1919, chapter 536, amended 1921, chapter 912, amended 1929, chapter 535," referred to in section 3 hereof and shall be paid into the petroleum and gas fund created by section 46 of the act above referred to in addition to the amount provided for in said act.

Sec. 13. Nothing herein contained shall be construed to confer on the oil conservation commission any jurisdiction over any matter or matters given to the state oil and gas supervisor or to the director of natural resources by any law of the State of California or to limit the effect of any such law.

Sec. 14. The invalidity of any section, division, clause or sentence of this act shall not in any manner affect the validity of the remaining portion thereof.

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YES	
NO	

The Legislature of the State of California, in regular session in 1931, passed, and the governor of the State of California on the fifteenth day of May, 1931, approved the following act, and a petition bearing the signatures of a sufficient number of electors asking that the act be submitted to the electors for their approval or rejection, having been filed with the secretary of state, in due time, the said act is hereby submitted on referendum.

(This proposed amendment expressly amends an existing section of the Political Code; therefore, EXISTING PROVISIONS proposed to be DELETED are printed in STRIKE-OUT TYPE; and NEW PROVISIONS proposed to be INSERTED or ADDED are printed in BLACK-FACED TYPE.)

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PROPOSED LAW

An act to amend section 675 of the Political Code, relating to the department of finance.

The people of the State of California do enact as follows:

Section 1. Section 675 of the Political Code is hereby amended to read as follows:

675. The director of finance shall have power:
1. To let, with the consent of the state department, board, commission, or officer concerned, for a period of not to exceed five years, any property, real or personal, which belongs to the state, except where such letting is expressly prohibited by law, if in the judgment of the director such letting will be for the best interests of the state.

2. To hire or lease, upon the written request of the state department, board, commission or officer concerned, any property, real or personal, the judgment of the director such hiring or leasing will be for the best interests of the state.

3. To authorize, with the consent of the state department, board, commission, or officer concerned, the sale or exchange of any personal property which belongs to the state if in the judgment of the director such sale or exchange will be for the best interests of the state.

4. To acquire title to real property in the name of the State of California whenever the acquisition of such property is authorized or contemplated by law, if no other agency of the state is specifically directed and empowered to acquire such title.

5. To convey title to real property in the name of the State of California whenever the sale or exchange of such property is authorized or contemplated by law, if no other agency of the state is specifically directed and empowered to convey such title.

6. To render such advisory, investigational or other similar service to any city, county, city and county, district or any other political subdivision of the state, as may be deemed expedient by the director, said service to be rendered only upon such terms and conditions as may be satisfactory to the director of finance.

7. To institute, in the name of the State of California condemnation proceedings for the

acquiring of any land authorized by law to be obtained for any state department, board, commission or institution, except land to be acquired by the department of public works for highway uses and purposes, and to proceed if necessary to condemn under the terms of the Code of Civil Procedure relating to such proceedings, if no other agency of the state is specifically directed and empowered to institute such proceedings.

8. To grant and convey in the name of the State of California, with the approval of the department concerned, easements and rights of way over and across real property belonging to the state except real property used for highway rights of way, for such purposes and upon such consideration and subject to such conditions, limitations, restrictions and reservations as in his judgment may be to the interest of the state.

9. To grant and convey by deed or otherwise to abutting property owners all the right, title and interest of the State of California, in and to abandoned river channels.

10. Upon such terms and conditions and under such rules and regulations as he shall prescribe, to lease any land belonging to the state or in which the state has an interest, for the production of minerals, oil, gas or other hydrocarbons, if in his judgment it is for the best interest of the state to do so and if no other state agency has express authority in law to lease the land for such purposes.