TRANSCRIPT OF
MEETING
of
STATE LANDS COMMISSION
LOS ANGELES, CALIFORNIA
OCTOBER 26, 1961

*****

PARTICIPANTS:

THE COMMISSION:

Hon. Glenn M. Anderson, Lieutenant Governor, Chairman
Hon. Alan Cranston, Controller
Hon. Hale Champion, Director of Finance
Mr. F. J. Hortig, Executive Officer

OFFICE OF THE ATTORNEY GENERAL

Mr. Jay L. Shavelson, Deputy Attorney General
Miss Ariel Hilton, Deputy Attorney General

APPEARANCES:

(In the order of their appearance)

Mr. William E. Woodroof, Attorney for Richfield Oil Corporation
Mr. John Tyler, Vice Chairman, Nature Conservancy of Southern California
Senator Edwin J. Regan
Mr. James D. Stokes, Regional Manager, Department of Fish and Game, Redding
Mr. John Reginato, General Manager Shasta-Cascade Wonderland Association
Mr. James Smith, President California State Fish and Game Commission and Chairman of the Wildlife Conservation Board

---continued---
APPEARANCES (continued)

Mr. Robert Vile, Vice President, California Wildlife Federation, Redondo Beach

Mr. Stanley Tomlinson, City Attorney
City of Santa Barbara

Mr. Joe Hodges, Jr., City Attorney
City of Oxnard

Assemblyman Charles Edward Chapel

Mr. Joseph A. Spray, representing Ritsch and Christofferson

Mr. Howard P. Ritsch

Mr. C. Edward Christofferson

Mr. Harry Pecorelli, Diver, representing skin diving group (Manager, Dive 'n Surf, Inc.)

Mr. Robert J. Rosevear, Chairman, Planning and Parks Commission, Pala Verdes Estates

Mr. Clyde Robinson, Vice President
Ocean Fish Protective Association

Mr. J. A. Beasley, Councilman
City of Torrance

Mr. Robert K. Dower, Assistant City Attorney,
City of Torrance

Mr. North Jones, Redondo Sport Fishing Company

Mrs. Patricia Gazin, Mayor
Hermosa Beach

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GOV. ANDERSON: The meeting of the State Lands Commission will come to order. The first item is the confirmation of the minutes of the meeting of July 28th.

MR. CRANSTON: I move approval.

MR. CHAMPION: Second.

GOV. ANDERSON: Moved and seconded, no objection so ordered.

Item 2 is permits, easements, and rights-of-way to be granted to public and other agencies at no fee, pursuant to statute. First applicant, American Smelting and Refining Company — a permit to dredge approximately 7,000 cubic yards of material from tide and submerged lands in Carquinez Strait, Contra Costa County, adjacent to applicant's wharf; item (b) State of California, Division of Highways — amendment of existing dredging permit, Point Knox Shoal and Presidio Shoal, San Francisco and Marin Counties; item (c) Humboldt Bay Municipal Water District — life-of-structure permit for construction, maintenance and use of a water transmission line across 0.31 acre of tide and submerged lands in Mad River Slough, Humboldt County; item (d) County of Riverside — life-of-structure permit for small boat marina on two parcels of submerged lands, totaling 42.59 acres of the Colorado River, Riverside County; item (e) The United States of America — extension of existing right-of-entry permits to September 30, 1962 in the interest of national defense, to conduct exploratory work in connection with underground communication cable
crossing the Feather River, Sutter and Yuba Counties; item (r) United States of America -- right-of-entry permit covering submerged lands of Mono Lake, Mono County, for a six-month period for purpose of conducting underwater explosion tests in the interest of national defense.

MR. CRANSTON: I move approval of those items.

MR. CHAMPION: Second.

GOV. ANDERSON: It has been moved and seconded; no objection, so ordered.

Item 3 -- Permits, easements, leases, and rights-of-way issued pursuant to statutes and established rental policies of the Commission.

First applicant -- Ebbe H. Davis and D. L. Dawson, five-year grazing lease, 1920 acres of school lands in San Bernardino County; annual rental $19.20; item (b) Diaz Brothers, one-year grazing lease, 2,240 acres school lands in Lassen County, annual rental $112; item (c) Bill Foley, five-year grazing lease, 520 acres school lands in Shasta County, annual rental $18.20; item (d) John Raven, five-year minor structure recreational permit, 0.02 acre tide and submerged lands in the Gulf of Santa Catalina, Orange County, total rental $25; item (e) California Water and Telephone Company, 49-year easement across 1.06 tide and submerged lands of San Diego Bay between San Diego and Coronado, San Diego County for 18-inch water line to augment City of Coronado's water supply -- total rental $2,509.50; item (f) Pacific Gas and Electric Company, five
49-year right-of-way easements across tide and submerged lands for operation and maintenance of existing transmission lines. The first one is for 1.97 acres at Honker Bay, Solano and Contra Costa counties, total rental $4,570.23; item (2) is 0.084 acre of Roaring River Slough, Solano County, total rental $195.02; item (3) 0.027 acre of Grizzly Slough, Solano County, total rental $100; item (4) 0.128 acre of Montezuma Slough Solano County, total rental $296.94; item (5) 0.280 acre of Nurse Slough, Solano County, total rental $649.74.

Item (g) is Pacific Gas and Electric Company -- 49-year right-of-way easement over 0.25 acre of Mokelumne River, San Joaquin County for overhead wire crossing, total rental $464.03; item (h) -- Pacific Gas and Electric Company, acceptance from lessee of notice of cancellation and termination of lease P.R.C. 819.1, Sacramento County; item (i) Assignment Honolulu Oil Corporation to Tidewater Oil Company of its interests in State Oil and Gas Lease P.R.C. 429.1, Ventura County; item (j) Edward C. and Donald E. Orkfritz -- assignment from Mary and Harley Austin of Lease P.R.C. 2177.1 covering 0.183 acre tide and submerged lands in Sacramento River near Oak Hall Bend, Yolo County; item (k) Nellie T. Zacharias, et al -- approval of sublease to James T. Greene, under Lease P.R.C. 2671.1, 0.589 acre tide and submerged lands of Sacramento River, Sacramento County, for operating of boating facility.

MR. CRANSTON: I move approval of those items.
MR. CHAMPION: Second.

GOV. ANDERSON: If there are no further comments, approved.

Item 4 -- City of Long Beach approvals required pursuant to Chapter 29/56, First Extraordinary Session. The first is Project (a) -- Pier G, Berths 212 to 215, Wharf -- estimated subproject expenditure from 10/26/61 to termination $1,950,000, with $175,581 estimated as subsidence costs. Do you want to comment on any of these as we go along?

MR. HORTIG: I will, sir, on item (d).

GOV. ANDERSON: Item (b) -- Revision of intersection at Mitchell Avenue and First Streets, estimated subproject expenditures from 10/26/61 to termination of $3100, with $1953 or 63% estimated as subsidence costs; item (c) -- Authorization for Executive Officer to certify approval of the extension of lease agreement between City of Long Beach and its Board of Harbor Commissioners, as first parties; Royalty Service Corporation and others as second parties, and Long Beach Amusement Company, etc., as third parties. Item (d) .......

MR. HORTIG: At that moment, on item (d), in view of a conference with the Office of the Attorney General late yesterday afternoon and finally consummated this morning, and with the word having also been given to the applicants in connection with item (d) (the City of Long Beach and Richfield Oil Corporation), in view of serious legal questions which it is felt by the Office of the Attorney General should be refined
in the format of the resolution to be presented to the State
Lands Commission, to assure that there shall be no future oper-
ing difficulties, it is recommended that consideration of
item (d) be deferred.

MR. CRANSTON: I move approval of items (a), (b),
and (c).

MR. CHAMPION: Second.

GOV. ANDERSON: You have heard the motion on (a),
(b) and (c) under Item 4. If there is no objection, it is
carried unanimously; and if there is no objection item (d)
under classification 4 will be deferred until next meeting
or ....?

MR. HORTIG: As soon as staff engineering, economic
and legal studies can be completed.

MR. WOODROOF: May I be heard on item (d)?

GOV. ANDERSON: We are going to defer it until a
further meeting.

MR. WOODROOF: I appreciate that. I would like to
be heard on the deferment. My name is William E. Woodroof,
attorney for Richfield Oil Corporation. We do not know and
have not been advised what the legal objections to this are.
However, I think the board, the Commission, should be advised
that this matter has been pending a great length of time and
if any deferment is made we would like it to be definitely
understood -- we would not object to the deferment, but it
should be definitely on the calendar at the next meeting.
MR. CRANSTON: Is there any problem in having it on the calendar?

MR. HORTIG: There can be. It cannot be forecast with certainty when the conclusions, reviews, and necessary studies can be completed; and with reference to the fact that this matter has been pending for a long time, I believe the record will show that the original application for this particular consideration was submitted to the staff of the State Lands Commission in the latter part of August of this year and it is a complex project.

MR. WOODROOF: I do desire the Commission to know that Richfield has a very, very substantial amount of money in these repressurization operations and ought to take notice of those facts; and we do think we should not be unduly delayed in this matter.

MR. CRANSTON: I am sure we all agree we will do all we can to process this at the earliest possible moment.

MR. WOODROOF: Thank you.

GOV. ANDERSON: Item 5 is the item classification on land items -- selections, sales, withdrawals, etcetera. All land sale items here presented have been reviewed by all State agencies having a land acquisition program, and no interest has been reported by those agencies in any of the lands proposed for sale.

First is the sale of vacant State school lands:

First applicant, (1) John D. Layman, bid $5,759.12; item (2),
William J. Swallow, Jr., bid $12,800; and then (b) is the selection and sale of vacant Federal lands: First one is Stanley S. Stonier; the bid was $3,417.90; (c) is the selection of vacant Federal lands on behalf of the State: The applicants do not desire to proceed with acquisition of the lands, and the first one is 540 acres in San Bernardino County pursuant to application of George McCarthy; the second one is 315.95 acres of land in San Bernardino County pursuant to the application of George McCarthy; and (3) is 240 acres in Kern County pursuant to application of Edith Ann Mitchell. I think we probably ought to clear those off before we get into the next one.

MR. HORTIG: Yes.

MR. CRANSTON: Under item (c) does the State proceed to acquire?

MR. HORTIG: That is right, and it is recommended the State do proceed to acquire and thereby decrease the deficiencies in the State school land grant heretofore, and augment the list of school lands on the list of the State Lands Commission.

MR. CRANSTON: I move approval of items (a), (b), and (c).

MR. CHAMPION: Second.

GOV. ANDERSON: Moved and seconded. If there is no objection, so ordered.

Item (d) will be rejections and withdrawals: (1) is
rejection of bids of Gildred Development Company and of
Atomic Investments, Inc., and authorization for refund of all
deposits to said bidders; withdrawal from public sale of Sec-
tion 16, Township 17 South, Range 8 East, S.B.M., San Diego
County until over-all land disposition and management program
can be determined.

MR. HORTIG: Mr. Chairman, you have before you a
note of desire of someone in the audience to make a presenta-
tion. Whether this presentation is still applicable in view
of the recommendation to reject, I do not know; but you may
wish to call upon that individual.

The proposed rejection at this time with respect to
the subject applications is based on a request of the Depart-
ment of Fish and Game for consideration that the lands which
have been offered for private sale be, in fact, retained in
public ownership in order that they can be studied for inte-
gration with a series of Federal national wildlife management
area programs -- the concept of which, and the initiation of
those programs, having been developed by the Federal Government
after the original application for private purchase had been
received by the State Lands Commission.

As stated in the calendar item on pages 41 and 42,
it is felt that it would be desirable that the determination
of these requirements can be integrated effectively into a
full program only at the time of establishment of a full land
disposition and management program by the Commission; and that
such determination would be preferable to piecemeal determination, parcel by parcel, at this time. Therefore, without any commitment as to any other agency, it is nevertheless felt that it would be desirable for the program of the Lands Commission to withhold from private sale the piece of land described in the application of the Gildred Development Company.

GOV. ANDERSON: Any further comments? I believe there is a Mrs. T. L. Edmiston who wished to be represented on this matter. Mrs. Edmiston? (No response) Apparently they are satisfied.

MR. TYLER: Mr. Chairman, in the absence of Mrs. Edmiston, she is in approval.

GOV. ANDERSON: Would you identify yourself?

MR. TYLER: I am John Tyler, Vice Chairman, Nature Conservancy of Southern California. Mrs. Edmiston is Chairman of that organization, so we approve the withdrawal—there is no objection to this withholding of the land and retaining in public ownership. We are in favor of what we have here.

GOV. ANDERSON: Thank you. Any further comments?

(No response)

MR. CHAMPION: I move we approve the recommendation of the staff to reject.

MR. CRANSTON: Second the motion.

GOV. ANDERSON: It has been moved and seconded, carried unanimously.

Item (2) is extension to December 31, 1963 of the
withdrawal from sale, on behalf of the Department of Water Resources and the County of Yolo, of 709.37 acres school lands in Lake County. Any comment on that?

MR. HORTIG: As to further detail on the specific lands on which extension of withdrawal is desired, the lands were, in fact, withdrawn in the first instance at the request of the Department of Water Resources on July 2, 1956 in order to permit the Department of Water Resources to evaluate the desirability of these lands for inclusion or noninclusion in the Cache Creek Wilson Valley Conservation Project. These studies have not, in fact, been completed; and for this reason the Department has requested an additional extension of withdrawal to December 31, 1963 in order to make these determinations as to desirable public usage of the lands, and this withdrawal extension is recommended.

MR. CRANSTON: I move approval.

MR. CHAMPION: Second.

GOV. ANDERSON: Moved and seconded -- no objection, so ordered.

Item (e) is consideration of appeal to adverse decision of the United States Bureau of Land Management rejecting State Exchange Application No. 74. Mr. Hortig.

MR. HORTIG: Mr. Chairman, members of the Commission, you gentlemen of the Commission will recall the discussions on September 14, 1961 relative to the status of the rejection of the application of the State of California to select a piece
of vacant Federal land in Trinity County. At the time of that consideration, the Commission deferred action pending further staff review, a report on specific issues to be submitted by the Department of Fish and Game, and consideration of any other data which might be furnished by the proponents and opponents to the proposal that the State of California acquire the particular lands. Numerous general letter statements of opposition to the acquisition of the subject land and conveyance into private ownership have been received. However, also there has been received in the office of the State Lands Division a letter from the Board of Supervisors of the County of Trinity, which I feel should be read for the record:

"Gentlemen:

The Board of Supervisors of the County of Trinity, State of California, does hereby request the State Lands Commission of the State of California to take favorable action on behalf of Warren M. Gilzean in the matter of his application for land exchange as above noted. Seventy-six percent of the County of Trinity is owned by the Federal Government and the economy of this county requires additional lands to be placed on the tax rolls, making their contribution to the cost of local government. This Board of Supervisors again wishes to go on record, requesting that the Federal lands be offered for bid, as these tracts
"would be of great value to Trinity County.

Yours very truly,

Marion Keesling
County Clerk
Ex-Officio Clerk of the
Board of Supervisors
County of Trinity"

Additionally, you gentlemen of the Commission will recall questions which were raised in the prior discussion as to possible adverse effects or the nature of the effects that might be established as precedent if the Lands Commission were to authorize the filing of an appeal from the rejection of the selection by the Bureau of Land Management. Pursuant to those questions having been raised, I requested a report from the Deputy Attorney General who had discussed the questions with you gentlemen at the last meeting -- a written report answering these specific questions with respect to the establishment of the precedent; and as indicated on page 44 of your agenda, a summary of the questions raised and answers to these questions is as follows:

In answer to the question "What would be the effect on future policy of Commission approval of the subject appeal in the light of the present relevant provisions of the statutes and rules and regulations?" the reply is:

Future policy of the Commission would not be affected by a decision to prosecute an appeal either (1) as to the subject application, since final approval must be given by the Commission after the land is conveyed to the State by the
United States, at which time public interest must be considered, or (2) with respect to other purchase applications, since each application must be considered on its merits and what was done on some other application does not necessarily establish a precedent.

The second question was: "Would legal rights be affected in favor of the State applicant if the Commission appeals?" and the answer to this question is:

If the State appeals and the appeal is successful, the applicant does not have a firm right to obtain the land from the State since the Commission's determination to initiate and prosecute the appeal is not an approval of the application by the Commission.

It has also been suggested that a contrary argument might be made that by appealing the Commission is determining that the public interest in holding the land for public recreational purposes is subsidiary to the claims of the applicant and the purposes for which he wishes to obtain the land. Therefore, it is the staff's suggestion that to preclude the necessity of a piecemeal land policy determination, again, that the record reflect clearly (a) that any conclusion by the Commission to pursue an appeal is restricted to the establishment of a full and clear record for the State, which is the applicant to the United States Bureau of Land Management; and (b) that any public interest policy determination in connection with proposed disposition of the land will be considered by
the Commission only in the event the appeal is successful and the land is conveyed to the State by the United States.

I would wish to add at that point again -- in considering the timing of this situation, if an appeal is filed and the land should be allowed to the State, the probabilities are that the Commission will have, prior to that allowance, determined a policy embracing all land disposition and management problems and, therefore, if this land is allowed to the State its position can be determined by the policy determinations made to cover all lands in a uniform manner, rather than necessarily making a piecemeal one-time determination at this time.

Under these circumstances, it is recommended that the Commission authorize the Executive Officer to proceed with the filing of an appeal with the Director of the United States Bureau of Land Management on the rejection of State Exchange Application Number 74, Trinity County; and (2) direct the Executive Officer to include in the minute record of the subject action taken the conclusion that by authorization of the appeal (a) the Commission is in no manner determining the public interest in holding the land for public recreation purposes (that is, at this time); and (b) any public interest in holding the land for public recreational purposes will be evaluated by the Commission in the light of Commission land management and disposition policy as and when the subject land is, in fact, conveyed to the State by the United States.
MR. CRANSTON: Mr. Chairman, I move approval of the staff recommendation and I want it clearly understood in the minutes, in doing so, that the advice to us now makes clear to us something that was very unclear when we last met — and that is, by taking this action of approval we are not adopting any policy position in relation to this item or any other item that may come before us. We are simply allowing the applicant to embark upon the long time course he started a long time ago to achieve his purpose. If our application is approved through Washington, we will then at that time have an opportunity to signify approval.

MR. CHAMPION: I'd like to second this, but I would like to make a short statement — that is, the record here is now clear; but I want to be sure that insofar as this appeal or whatever part the State Lands Commission takes in that appeal, nothing done in that appeal will prejudice us more than what action we take today. In other words, I don't know what role the State takes in this thing, but obviously the arguments made on this previously will be made again and I don't want those arguments made in the proceeding before the Federal Government.

MR. HORTIG: Mr. Chairman, in response to Director Champion's question, it would be the intent of the staff to forward an appeal in the prescribed and standardized format as prepared by our legal counsel, the Office of the Attorney General, and to clearly reflect the position of the Commission.
to include a copy of the minute record of the action taken by the Commission which authorized the filing of this appeal -- which then by this direction, if this staff recommendation is adopted, will clear the record.

MR. CHAMPION: Second.

GOV. ANDERSON: At the last meeting of the Commission, the representative of the Attorney General at that time implied that the future policy of the Commission would be affected and I would like to understand -- This has been changed now, and I would like to have the representative of the Attorney General's Office clarify that for us. (To Mr. Shavelson) You weren't the one at the meeting?

MR. SHAVELSON: No, Mr. Paul Joseph, of our Sacramento office. Mr. Joseph's present opinion is that the appeal may be prosecuted without making a final determination as to whether the lands should be conveyed to the private applicant rather than be kept in public ownership, because of the Commission's power to reject the application.

MR. CHAMPION: That wasn't the question before Mr. Joseph. The question wasn't whether it would be a final determination as to the disposition but whether it would set a precedent and there would be prejudice involved.

MR. HORTIG: Mr. Chairman, Mr. Joseph's written report as of October 4, 1961 follows page 45 of your agenda.

MR. CHAMPION: I have read in there words such as "firm" and "determination" and so on, and there shouldn't be
any prejudice involved in the thing.

MR. HORTIG: This was the reason for citing the answers in the item, which I believe now constitute a firm declaration that the question of establishing a precedent and as to committing the Commission and as to affecting the rights of the applicant have all been resolved -- so there should be no further question. This is the basis, at least, on which Mr. Joseph would defend legally if any further questions in this area were raised.

GOV. ANDERSON: Anything further?

MR. CRANSTON: No.

GOV. ANDERSON: Senator Regan, do you wish to address the Commission at this time?

SENATOR REGAN: Mr. Chairman, members of the Commission, as you know I am counsel for the applicant. In summary -- of course, it has been argued very fully at the last meeting, but in summary I would say that I am fully in accord with the opinion of the Attorney General that there is no policy fixed on the part of the State here. This merely gives the applicant his right to make his appeal to Washington -- that's the effect of it; and what you do later on, assuming the appeal is successful in Washington, it is right back in your lap. You may reject it or you may approve it. As a matter of fact, if you want some further information, I have gathered considerable information since then.

GOV. ANDERSON: It is not necessary. Does anyone
wish to make further comment on the item?

MR. STOKES: Stokes, Department of Fish and Game.

Do you wish to have the information that we gathered presented?

GOV. ANDERSON: You can submit it to the staff. We don't need it for the public record. Just give it to Mr. Hortig.

MR. CRANSTON: If and when this matter returns to us from Washington, we will be very interested in your information, but not at this time as far as our action is concerned.

GOV. ANDERSON: Any further comment? Will you state your name?

MR. REGINATO: John Reginato representing the Shasta-Cascade Wonderland Association. I am here at the request of my president. I certainly feel this Commission should allow the Department of Fish and Game to make available, for public information, the information that they have gathered together to present to this Commission. I know that there are people who are interested greatly in the entire survey that the Department of Fish and Game has developed.

I also feel that Mr. Jimmie Smith, who is here representing the Fish and Game Commission and also the Wildlife Conservation Board, should be heard.

On behalf of myself and the Association, I want to say this very explicitly -- that we are greatly concerned about the availability for the hunter and fisherman of utilization of our natural resources in California. We may say that these
fifty-eight acres involved are just a minute part, or just a little bit of our public lands. I would like to present a simile in regards to that. The Sacramento and San Joaquin rivers fifty years ago had 3,000 miles of spawning area; today we have less than 250 miles of spawning area. Also on the Sacramento River, which is one of the finest anadromous streams, which supports not only sport fishing but the commercial fisherman, the individual fisherman (and I am speaking basically of Shasta and Tehama County) does not have the opportunity to fish from the shoreline.

The Trinity River, as a result of an expenditure of $250,000,000 by the Federal Government, is going to become one of the favorite and one of the finest steelhead and salmon streams in the State of California. Now, these fifty-eight acres involved seem very insignificant, but I am quite certain that the information gathered together by the Department of Fish and Game will point out that one of the important considerations is that public access to these streams is not available, either because no roads go into the area or because there is conflict with private access. The land in question, which is six acres of flat land, is being currently used by a lot of people from southern California for camping and trailers. This fifty-eight acres is very important to the people of the State of California.

I can quite concur with the Trinity Board of Supervisors and Senator Rogan, who is counsel for our association
and for Mr. Gilscan, that it is important that the tax base be strengthened in Trinity County. However, we have to consider what is in the best interests for all the people in the State of California. Trinity County will get its share from tourists and travel. However, we should insist that the average citizen of the State of California, with our exploding population, is given an opportunity to enjoy the outdoor resources.

I certainly would insist that this Commission would allow the Department of Fish and Game to make a public presentation of the information they have gathered -- that other State agencies have had an opportunity to be heard.

MR. CHAMPION: The problem here is one that this is not a matter that is before us. There is nothing to keep any State agency from taking a public position and telling how it feels on this matter, but we are not sitting on the matter this morning. It doesn't seem to me it is the proper forum. There is no reason why the Department of Fish and Game cannot make public its information, but since we are not sitting on the case I don't think it is appropriate for us to discuss the matter.

MR. CRANSTON: If and when the matter comes back from Washington and we are acting on the merits, then we would wish to hear from every agency and private individual.

MR. REGINATO: I understand, Mr. Commissioner, this meeting here this morning is basically to determine policy.

MR. CRANSTON: No. The meeting is to transmit,
without any determination of policy, to the applicant who has applied the legal opportunity to move his application forward, but if it goes through here this morning and goes to Washington and is approved, it comes back here and at that time we determine whether it is in the public interest. At that time we would like to hear from you, Fish and Game, Senator Regan, and everyone who is interested -- and would allow full time for that purpose.

GOV. ANDERSON: The question we are discussing here today is that our approving this today does not affect our policy when it gets back.

MR. CHAMPION: It is possible that we will never act on this if the Federal Government rejects this appeal.

MR. REGINATO: Gentlemen, I think the discussion will be in the last analysis whether this is recreational land. It is my understanding that the Bureau of Land Management, which is in the process of classifying all public lands in their jurisdiction, have classified this particular parcel as recreational land -- which is in the public interest. Certainly, would anything be gained, other than proving to the Commission whether the appeal would be accepted? We in turn will have to come back and re-do this whole situation again. In other words, the Bureau of Land Management to my understanding has classified this as recreational land.

MR. CRANSTON: It is the feeling of the Commission -- our feeling is based upon advice from our staff and the
Attorney General -- that we should make such a determination that we are required to keep it as a matter of public interest in public hands when it comes back; and I think when it comes back, if it does, we will have the meeting in Sacramento so you people won't have to come down here.

MR. CHAMPION: Its present posture is the Federal Government has recommended against selling this to Mr. Gilzean. If they are upheld in Washington, this matter never appears before this body -- it is rejected.

MR. REGINATO: Well, gentlemen, it has cost us a considerable amount of money to come from Redding to Los Angeles and certainly I feel it would have been prudent for your staff to have advised our office particularly if this matter was not going to be fully discussed, that the matter was going to be sent to Washington for appeal. We should have been advised. I have no further remarks. I appreciate the opportunity of being heard. Thank you.

GOV. ANDERSON: Any further comments on the item? State your name and who you represent.

MR. SMITH: Honorable members of the State Lands Commission and ladies and gentlemen, I am Jimmie Smith. I am President of the California State Fish and Game Commission; I am Chairman of the Wildlife Conservation Board. I had intended to speak with regard to retaining this land in question in public management this morning. Owing to the fact that my name was mentioned by a previous man who addressed you, I am
up at this mike to oppose any comment regarding this until it comes out, as Mr. Cranston indicated it would, when it comes to a showdown meeting as to whether this land remains in public ownership or should go to an individual. Thank you for your courtesy.

MR. VILE: Mr. Chairman, members of the Commission, my name is Robert Vile. I am Vice President of the California Wildlife Federation. In our convention which was held on July 1st and 2nd, we passed a resolution in opposition to this appeal you intend to make to the Federal Government. I had the belief at this time, with them, that the appeal would make the decision of whether or not this man was going to take from public ownership to private use, and the intent of the resolution was to attempt to stop this move under this appeal. From what I have heard here today, I don't believe any further testimony is necessary as far as our organization is concerned in regards to why this should remain in public ownership. However, we would like to be on record in stating we are definitely opposed to removing this from public uses and turning it over to private enterprise. Thank you very much.

GOV. ANDERSON: Any further comment?

SENATOR REGAN: Mr. Chairman, just for the record I'd like to say this: I don't intend to discuss the merits of it because there is only a legal problem involved that will eventually come back for discussion; but in case anybody gets the idea that my client and his counsel is not interested in
wildlife — you heard Mr. Reginato state I am the attorney for his organization. I am just as interested in conservation of wildlife as John and anybody else. They don’t know the facts in this case — they are getting ahead of themselves — so let's get the appeal back on this and then a policy determination can be made.

MR. REGINATO: May I make one further comment? With all due respect to Senator Regan, who is our counsel, Mr. Regan has a letter from the president of the Association, carbon copy, which states that in view of the fact he was representing a client which was not in interest with the Association that in this particular instance Senator Regan, who has devoted his legal counsel to our Association without any fee, will not act in our behalf in this particular instance.

SENATOR REGAN: Well, that's understood.

GOV. ANDERSON: If there is no further comment, it has been moved and seconded the staff recommendation be approved. If there is no objection, it is carried unanimously.

Going on with the calendar, Item Classification 6: Authorization for Executive Officer to execute preferential mineral extraction leases to California Minerals Corporation for initial term of 20 years, with preferential right to renew for additional term not to exceed 10 years, each lease to be subject to a royalty payable in accordance with rate specified in the prospecting permit and to an advance annual rental of $1.00 per acre, covering following areas: (a) Prospecting
Permit P.R.C. 2486.2 -- 120 acres in Fresno and San Benito counties; (b) Prospecting Permit P.R.C. 2489.2 -- 100 acres in Fresno and San Benito counties; (c) Prospecting Permit P.R.C. 2490.2 -- 160 acres in Fresno County.

MR. CRANSTON: I move approval.

GOV. ANDERSON: It has been moved ....

MR. CHAMPION: Second.

GOV. ANDERSON: ... and seconded -- no objections, carried unanimously.

Item 7 is authorization for Executive Officer to approve cancellation of sublease between Crescent City Harbor District and Ray Beall, and to approve issuance of new sublease by Crescent City Harbor District to Tidewater Oil Company for a 10-year period.

MR. CRANSTON: Move approval.

MR. CHAMPION: Second.

GOV. ANDERSON: Moved and seconded -- no objections, carried unanimously.

Item 8 -- Proposed annexations: (a) is the Santa Barbara Airport Annexation -- authorization for Executive Officer to notify Council of City of Santa Barbara that present value of tide and submerged lands proposed to be annexed is $328,000. Mr. Hortig.

MR. HORTIG: Mr. Chairman, in amplification, the Commission will recall that at the meeting of September 14, 1961 the Commission authorized the Executive Officer to inform the
Council of the City of Santa Barbara that the Commission protests the proposed annexation of the tide and submerged lands unless the proposed annexation is modified to include only the surface of the land of the ocean floor instead of 500 feet below the surface of the ocean floor, and the staff was also advised to take whatever legal action necessary, if any, to protect the interests of the State.

Pursuant to these directions, these questions were referred to the Office of the Attorney General and in conjunction with the Office of the Attorney General the Executive Officer did appear and present to the City Council of Santa Barbara the recommendations of the Commission, which resulted in adoption by the City Council of Santa Barbara of an ordinance agreeing to amend the description of the annexed territory for purposes of the annexation ordinance to exclude from the territory to be annexed all property beneath the surface of the land of the ocean floor within the tide and submerged lands of the State of California.

Also, as a staff matter, the staff appraisal has been completed and fixed the value of the surface of the State tide and submerged lands proposed to be annexed at $326,000.

In view of the cooperation by the City Council of the City of Santa Barbara and compliance with the request to obtain a resolution in accordance with the recommendations of the Lands Commission, it is recommended that the State Lands Commission authorize the Executive Officer to notify the
Council of the City of Santa Barbara that pursuant to the provisions of Section 35313.1 of the Government Code the State Lands Commission has determined the present value of the surface of the tide and submerged lands proposed to be annexed is $328,000.

Additionally, as to the legal questions referred to the Office of the Attorney General, Deputy Attorney General Hilton is here this morning to report to the Commission on those; and, as I am sure you are already aware, the City Attorney, the Honorable Stanley Tomlinson, is here representing the City of Santa Barbara in connection with this item.

GOV. ANDERSON: Any further comment?

MISS HILTON: The Attorney General has provided the staff with a report on the legal aspects of this problem. We are concerned with the annexation of an ocean strip. Annexation by strip is well recognized in California. This will be the first time that has been a strip of ocean. It will not be the first time that there has been a strip annexation by tidelands. That has been done in San Diego.

The second matter that was of concern to us was the fact that this was an annexation of 300 feet only on the surface, 500 feet down beneath the ocean floor of the Santa Barbara airport. The original annexation had that description for the tidelands area. Now that the present resolution of the City of Santa Barbara is revised, the description taking only the surface area, that will take care of the problems
that the State Lands Commission anticipated and it does make a change.

Our advice is this: This is unique, an extension; it is unknown in the field of law. There is nothing which permits it; there is nothing which prohibits it. We cannot say, foretell, what a court of law would do to it if it were questioned in a court of law. As far as the Attorney General, that is our statement and we feel it is a matter which has to be determined by the State Lands Commission as a matter of policy by the members of that Commission.

GOV. ANDERSON: Now, at the last meeting I understood the representative of the Attorney General to say it was not our jurisdiction -- that the annexation problem question, determining whether it is proper to go out in the ocean, was a problem to be decided by the Board of Supervisors and this was not our problem to decide. Are you changing this position?

MISS HILTON: No, it is always the Board of Supervisors which determines where they will go in an annexation. It is a policy decision for the State Lands Commission to determine whether or not it wishes to protest and question the legality of this annexation.

GOV. ANDERSON: You mean to question the method by going out in the ocean?

MISS HILTON: Yes, if you wish to question the method of going out in the ocean or if you wish to question the fact that this is an annexation which just goes to the
surface of the land. Usually, in annexation procedures, where
there has been an annexation they take the entire territory,
presumably to the center of the earth; and the jurisdiction
changes and the entire area is taken over by the city. At
this point, the city would be just taking the surface. The
county would still have the jurisdiction beneath the surface.
It is purely jurisdictional, not a legal matter.

GOV. ANDERSON: Do you think we have the jurisdiction
of just the land because they are not going to the center of
the earth, or do you think the procedure of going out into the
ocean and annexing this strip -- do you feel we have the right
to consider this?

MISS HILTON: We feel the Lands Commission has the
right to consider ocean strip annexation. Whether you consider
the possibility that is so unusual a proposition that you wish
to question it in the courts is a policy determination to be
made by the Commission. Actually, if we were representing
you in the matter......

GOV. ANDERSON: At the last meeting, I raised this
point because I didn't feel we should go on with this kind of
annexation, and I was informed this was not the jurisdiction
of the State Lands Commission; this was a question that had to
be determined by the Board of Supervisors, who were the annex-
ing power; and I thought we should decide whether this should
be annexed or not -- purely, whether we want to be a part of
the City of Santa Barbara or not.
MISS HILTON: Actually, I do not mean the Lands Commission is in a position to determine they don't want to be a part of the City of Santa Barbara at this time. If the State Lands Commission should determine that ocean strip annexation was inimical to the State Lands Commission in its jurisdiction over tidelands, presumably then the State Lands Commission would go to the Legislature and ask for special legislation in that regard.

GOV. ANDERSON: This was the step they told us about the last time -- that if we didn't like ocean strip annexation we should go to the Legislature, but under the present law we didn't have any right to object on those grounds because that is the law today.

MISS HILTON: Well, we presume this is the law. Actually, as I say, we have not had the question of ocean strip annexation tested in the courts. The problem would be this: Usually when a city annexes territory, strip annexation, it is presumed that municipal benefits are going to be given to that strip. What benefits the City of Santa Barbara could give to a 300-foot strip of ocean several miles out is problematic; but in California we have never stressed the benefits to be given to the territory. The court has presumed those benefits will be there and will be extended to the area, so we are dealing with rather an unusual situation. If we were taking this matter to court we would state that there were few benefits, but actually we do not feel that what we have is
a vital ground of protest. We feel it is a legal point that

1 can be argued, but probably it is better taken care of by the

2 Legislature rather than a court action in regard to this Santa

3 Barbara annexation.

4 MR. CHAMPION: That was my understanding from our
5 previous discussion -- that we acted insofar as we felt was
6 necessary to protect our interests; that we had no further
7 interest as such; and that if there was some point where this
8 was in conflict with the law that that would be a matter for
9 the Attorney General to determine -- if he wanted to contest
10 it, that would be really a finding for him; that we were con-
11 cerned with protecting our own interests and beyond that we
12 played no part in it and that was the basis of our decision.
13 What you state this morning doesn't alter it.

14 GOV. ANDERSON: I thought it did because I am per-
15 sonally opposed to ocean floor annexations, but I didn't think
16 we were taking that position. Now, if we are to determine
17 policy on something like that, I think we ought to look into
18 it a little deeper.

19 MISS HILTON: I would not say, Mr. Anderson, that
20 it is the recommendation of the Attorney General that a pro-
21 test be made to question ocean strip annexation at this time.
22 We say that it is unusual, but there is no feeling that in
23 this particular case, now that the Council has revised its
24 resolution and its description, we do not feel -- the Attorney
25 General is not advising you to file a protest.
GOV. ANDERSON: Any other comment, Frank?

MR. HORTIG: No sir. Back to the staff recommendation.

GOV. ANDERSON: Mr. Tomlinson?

MR. TOMLINSON: Mr. Chairman, members of the Commission, I appreciate the opportunity to be here again and discuss this matter. I have made a very careful investigation of the applicable law and I believe that my findings parallel those of the Attorney General's Office, namely that while this is a unique and unusual type of annexation there is nothing prohibitory in the law respecting it; and the mere fact that it is unique and unusual is a matter that perhaps in time will be addressed to the Legislature.

I do wish to make this clear, however, and very clear, crystal clear — that the City of Santa Barbara is making this annexation of necessity, absolute necessity, because of the fact, the unusual and unique fact, that some $800,000 of assessed valuation lies 40 feet below the surface in an area of the territory that can never be susceptible to municipal benefits, municipal control, or other application if you wish; the fact that the three parcels of property being annexed — namely, the tidelands under the jurisdiction of this body; the University of California, I believe a total of eight acres; and 932 acres owned by the City of Santa Barbara of public-owned land; that under the circumstances of there being no substantial private ownership in the airport territory; the fact that this private $800,000 of assessed valuation lying...
beneath the surface is determined to protest if the annexation is carried in the usual form to the center of the earth. The nature of that protest means that there can never be in all time an annexation of this municipally-owned airport.

The City of Santa Barbara feels very strongly on the necessity, the desirability, of exercising its own municipal control over its own airport in respect to land use and the general exercise of police power over that area.

I take it that the factual situation, gentlemen, is as unusual as the legal form of annexation that has been undertaken here. It is quite true that I have made a national search to determine whether anything of this character has ever been done before. My findings have been in the negative, but I cannot help but think and refer this Commission, or any lawyer who sees fit to question the unique and unusual character of such an annexation, that in 1906 here in Los Angeles the city authorities of this city undertook a strip annexation of sixteen miles long, one-half mile wide, to accommodate the annexation of two communities, San Pedro and Wilmington. I am convinced from reading the case in the Supreme Court testing that annexation that the city authorities nor State authorities at that time had any precedent whatsoever for that type of annexation. I say we have a comparable situation now.

We have a situation created by modern conditions, perhaps, that couldn't possibly have existed at that time: but I suggest this under these circumstances and the facts that
we are talking about here, namely the uniform or the entire
public ownership of the territory being annexed, is no more
unique, is no more shocking than that situation that existed
here in Los Angeles in 1906; and that has never been altered by
the court. The findings of the Supreme Court have never been
changed in any of the subsequent decisions dealing with freak
or unusual or unique annexations.

I believe the Lands Commission has fully performed
its function here in ascertaining and determining the value
which will be considered by the City Council. The City is very
happy to cooperate with the Lands Commission and the staff in
adoption of the resolution that when the order of annexation
is prepared and introduced it will modify the description, the
exclusionary portion of the description insofar as the tidelands
there are concerned, to the surface of the territory being
annexed only and eliminating therefrom and leaving under county
jurisdiction all of the territory lying beneath the surface.
The City has done that and is willing to do it, and that will
be carried forward pursuant to the resolution adopted at the
Council meeting about a month ago.

Thank you.

MR. CRANSTON: Mr. Chairman, the motion before us is
a motion which does not take a policy position on the matter
of this annexation. We did take a policy position to an extent
in our last meeting when we suggested that the City revise the
form of their annexation so they would not be dipping beneath
the surface of the bottom of the sea. They have done what we suggested and that is before us now -- a motion fixing the valuation of the area we are discussing; and I would move we approve the evaluation.

MR. CHAMPION: I would second that with an added observation and that is there should be no implied general approval of ocean floor annexation or strip annexation; that, at least in my mind, in those cases that come before the Lands Commission of this kind because one of these has been granted doesn't mean we approve this. In other words, we approve only in terms of the circumstances in any given case. In this case, there being no other objection, we raise no protests, but where there are objections I don't believe it should be thought we will approve ocean strip annexations because we approved this one. I second it.

GOV. ANDERSON: It has been moved and seconded, and under discussion, because there seems to be a little ambiguity in the law -- and this I don't intend to raise in great opposition to this, because I know what we are doing primarily here is establishing the value of the land and because we find there will be no specific detriment that will accrue to our State tidelands -- but I do wish to be recorded as voting "no" on this motion because I feel this ocean strip method of annexation is something that should be looked into and I intend to see that somehow we can get some legislation introduced and possibly study the law; and for that reason I would just as
soon not have myself on record as voting for some ocean strip annexation here, because, as the Attorney General here says, they say that we are in a sense developing an established procedure by doing this and we set a precedent, and for that reason I wish to be recorded as voting "no" on this particular motion.

So if there isn't any further objection, then, the item will appear with two "aye" votes and one "no."

Item (b) -- City of Oxnard annexation -- authorization for Executive Officer to notify Council of City of Oxnard that the present value of tide and submerged lands proposed to be annexed under Annexation No. 61-10A is $1,471,800. Mr. Hortig?

MR. HORTIG: Mr. Chairman, as outlined on page 57 of your agenda, pursuant to request from the City of Oxnard for evaluation of area of tide and submerged lands proposed to be annexed together with some adjoining upland properties, as shown on the map following page 57 of your agenda, the staff appraisal has been completed; that the lands proposed to be annexed have a present value of $1,471,800 for the 7,359 acres of tide and submerged lands.

This proposed annexation is what has been heretofore the standard format of proposed annexation, to include all the tide and submerged lands to the exterior city limits and down to the center of the earth. The proposed annexation would embrace an existing State oil and gas lease and one which is
under present bid offer. The unique feature of that present bid offer is that this is the only one that has ever been offered by the State Lands Commission where the adjoining city joined and recommended that the State Lands Commission actually proceed with the bid offer -- which is the record of the City of Oxnard.

Now, patently, this annexation, by including all depths to the center of the earth, might not minimize the Commission's administrative problems there should be as against in the case of the proposed Santa Barbara strip stratified annexation just discussed. Except for that difference in approach, the staff has been unable to determine any basis for protest or objection to the annexation. Also, we have not been informed of any protest on the part of any of the upland owners within the proposed annexation area.

There are some representatives of upland areas in the audience today and the Chairman might wish to call for amplification on that subject from them, as well as from the City Attorney of Oxnard, City Attorney Hodges, who is with us here this morning.

However, on the basis of the facts presented to and available to the staff, and as it is here outlined, it is recommended that the Commission authorize the Executive Officer to notify the City Council of the City of Oxnard that, pursuant to the provisions of the Government Code, the State Lands Commission has determined the present value of tide and submerged
lands proposed to be annexed under City of Oxnard Annexation Number 61-10A to be $1,471,800.

MR. CHAMPION: I'd like to ask Mr. Hortig a question here, as a fairly new member of the Lands Commission. What difference in our approach to the problems the State Lands Commission will have with anything we want to do with these tidelands -- what difference in control or in dealings with the City would there be in this annexation? You say "might not be minimized" and that isn't clear.

MR. HORTIG: The reason it isn't clear, Mr. Champion, is simply we do not have a clear forecast of the future and the nature of the operation, the degree of the operation, the extent of oil and gas operations and additional ones over and above those that we now have on the books, of course, given the problem of the relationship of city control, city tax assessments.

MR. CHAMPION: What legal controls would annexation give the City?

MR. HORTIG: Only taxation and nominal police powers. We have had no problems with the exercise of municipal police powers as against State Lands Commission authorized operations on the tide and submerged lands after they have once been authorized, but, as you can see, it is literally impossible to forecast what impact future city taxes might have on a prospective lease which is yet to be offered for bid in terms of decreasing the amount of the bid the State of California might
get on that lease offer.

MR. CHAMPION: That's the prime thing.

MR. HORTIG: It is a nebulous area we can't forecast but it can happen. On the other hand, neither do we have anything of that nature currently on which to base our protest.

MR. CHAMPION: Are most of our leases on submerged lands that have been annexed or most of them unannexed?

MR. HORTIG: Those that aren't are rapidly becoming annexed. This is a trend.

GOV. ANDERSON: There would have to be legislation passed to allow them to tax our leases, wouldn't there?

MR. HORTIG: No sir. As soon as we have a lessee his leasehold interest, his personal property interest, and so forth is all taxable. There is no tax levied against the State of California as such.

GOV. ANDERSON: Could there be a tax per barrel, for example? Could they do this now under present law?

MR. HORTIG: There is a tax as against the operators. There are county mining taxes levied against all operators.

GOV. ANDERSON: Are there any city taxes? ....

MR. HORTIG: City taxes ....

GOV. ANDERSON: ... against, for example, oil per barrel?

MR. HORTIG: Whether the barrel is the measure or the estimated value of the reservoir, there are such taxes, both city, school district, and anything else that the operation
finds itself within the exterior confines of.

GOV. ANDERSON: So, then, the answer is "yes" -- there is a possibility of cutting down the amount of revenue the State will receive.

MR. HORTIG: There is this possibility but neither can we assert positively that it will exist in a particular amount.

MR. CHAMPION: Let's put it this way -- doesn't Ventura County already have taxes of this nature?

MR. HORTIG: Yes, the county mining tax. We do not have any oil operations within the County of Ventura. I do not believe we have any in the County of Ventura within city limits at the present time; we do have in Orange County; we do have within county limits and school district limits in the County of Santa Barbara.

MR. CHAMPION: On this subject, when the City Attorney from Oxnard speaks I'd like to hear about this.

GOV. ANDERSON: Mr. Hodges, the City Attorney of Oxnard.

MR. HODGES: Mr. Chairman, members, Joe Hodges, Jr., City Attorney of Oxnard. I don't know whether you have any questions or not other than those that have been raised. I might point out that the county tax in Ventura County is about eight dollars and a half, and with that total taxation, $1.75 is of the City of Oxnard, so the county is collecting approximately $6.75 from all county properties. That includes school
districts -- and I would assume, although I don't know, all school districts are coterminous with the county boundaries.

There has been one question about the fact that we are going to the center of the earth. This has been true in the previous three annexations of tide and submerged lands in the City of Oxnard and I don't think our doing that will create any more problem than annexing just the surface -- because the Lands Commission would have exactly, I should think, the same problems in connection with the development of the tide and submerged lands as they would have if we had annexed to the surface of the earth.

MR. CHAMPION: We would have the same development problems but you wouldn't have the same tax problems.

MR. HODGES: That's true.

MR. CHAMPION: Has the Lands Commission given any thought to recommending that we go to a surface annexation in cases of this kind?

MR. HORTIG: In view of the questions that have been raised by the Attorney General as to whether a surface annexation is valid, in fact, under the law, we have hesitated in recommending what could be an invalid series rather than an invalid unique annexation.

GOV. ANDERSON: Any further comments or further questions of Mr. Hodges? (No response) Does anyone else wish to comment on this? (No response) Is there a motion?

MR. CRANSTON: I move approval.
MR. CHAMPION: Second.

GOV. ANDERSON: It has been moved and seconded --- no further objection, carried unanimously.

Would there be any objection at this time to going ahead and taking up the supplemental item for these people that are interested in Santa Monica Bay?

MR. HORTIG: No sir.

GOV. ANDERSON: Well, then, at this time we will proceed ahead, because we have quite a few people in the audience who wish to testify or be recorded on the Santa Monica Bay mining proposal. So at this time we will move ahead to Supplemental Calendar Item Number 2. It was originally calendar item 48. It is the application for prospecting permits, Santa Monica Bay, Los Angeles County, by Howard P. Ritsch and C. Edward Christofferson -- W.O. 3827, W.O. 3839. Mr. Hortig?

MR. HORTIG: Mr. Chairman, with your approval — both for expedition and for accuracy and in order that everyone interested in this item may be aware of the complete record and the amount of staff effort that has already been expended on the resolution, I would propose to read the calendar item so that all hear it at the same time.

Applications were received from Mr. Howard P. Ritsch of Chicago, Illinois and from C. Edward Christofferson of Downey, California, for permits to prospect for all minerals other than oil and gas on an area of tide and submerged lands
seaward of the ordinary high water mark, in the vicinity of Flatrock Point, Santa Monica Bay, Los Angeles County, including approximately 1,853 acres and 1,169 acres respectively.

(Parenthetically, these descriptions are reflected on your Exhibits A-1 and A-2 and, in general, would involve tide and submerged lands fronting on the City of Torrance and the northerly limits of the City of Palos Verdes Estates.)

Field reconnaissance and review of published reports by the staff have shown that the areas for which applications have been made cannot be classified at this time as known to contain commercially valuable deposits of the minerals sought.

(Again parenthetically, under these conditions on State-owned lands, the State may consider the issuance of a prospecting permit.)

The applicants propose to dredge mineral-bearing sand from the ocean floor. Any minerals found would be separated on the dredge. All dredged material, except mineral concentrates, will be redeposited on the ocean floor. Because of the nature of the proposed operation, it would appear to be desirable to have any productive area discovered included in one preferential lease. Section 6895 of the Public Resources Code provides that in the event of the discovery of commercially valuable deposits of minerals on tide and submerged lands, the Commission is authorized to divide such lands into such size and number of parcels as the Commission shall determine will not substantially impair the public rights to
navigation and fishing, or interfere with the trust upon which such lands are held.

The statutory and regulatory fees have been paid for consideration of these applications.

In accordance with the provisions of Section 6818 of the Public Resources Code, the applications were referred to the Office of the Attorney General and to the Director of Natural Resources for review. The Office of the Attorney General has advised that the applications comply with the applicable provisions of law and with the rules and regulations of the State Lands Commission. The Director of Natural Resources has reported that the proposed operations will not interfere with the recreational use of lands littoral to the area applied for.

Consideration of the applications by the Commission was deferred on May 4th at the request of the cities of Palos Verdes Estates, Torrance, and Redondo Beach, in order to provide additional time for a review by the respective city councils of the proposed operations and their effect on the adjacent shoreline.

On June 8, 1961 a hearing was held by the Division. Representatives of the interested municipalities and the applicants were present. The proposed method of extraction operations, in the event commercial minerals are discovered, was detailed and possible effects on the shoreline were discussed. Subsequent to this hearing, letters were received
from the cities of Palos Verdes Estates and Torrance, and the Ocean Fish Protective Association to the effect that the issuance of the permit would be opposed.

Thereafter, a conference was held with the applicants, the Corps of Engineers, Department of Fish and Game, Department of Water Resources and the Los Angeles County Engineer's office. Proposed operations were reviewed further. The Department of Water Resources, after a review and discussion with the Corps of Engineers, have submitted a statement to the effect that, in their opinion, the shoreline would not be adversely affected by the proposed prospecting, but that any extraction operations should be confined to the area seaward of the 30-foot depth contour, and that provisions should be included in any extraction lease for regular hydrographic surveys by the applicants of the bay bottom in the extraction area, with the survey results made available for review by interested agencies, and that provisions of the lease should provide for extraction operations to be halted if, on the basis of the survey results, or other information, it is believed that such operations are adversely affecting the beaches.

The Department of Fish and Game reported that, in their opinion, the operations will not be harmful to aquatic life if carried out in the area and in the manner described by the applicants.

The Los Angeles County Engineer reported that a critical need for beach building material exists on the beach.
south of Redondo pier, because the supply of sand from the north has been cut off due to construction of the Redondo Harbor Breakwater, and it appears that to transport material from an operation such as is proposed by the applicants to the beach location would be feasible at considerably less cost than would be the case with material from upland sources. The applicants would agree to make the waste material available to the responsible agency at the barge location with the cost of transporting material to shore to be borne by the using agency.

At a later meeting with representatives of the municipalities, the Ocean Fish Protective Association, and the applicants, operations were again discussed and comments submitted by the agencies with responsibility in the offshore area were reviewed. Copies of the reports from the Department of Water Resources, the Department of Fish and Game, and the Los Angeles County Engineer were sent to the interested parties, and after review with their respective city councils, this Division was informed that Torrance has reaffirmed its protest in consideration of possible erosion and pollution of the shoreline, as well as other practical difficulties. It was further stated that under no circumstances will said protest be withdrawn. No reply was received from the cities of Redondo Beach or Palos Verdes Estates, in response to these particular discussions.

On October 19, 1961, the Executive Officer conferred with the administrative officials of the cities of Redondo Beach, Torrance, Hermosa Beach, and Palos Verdes Estates.
From this conference, it appears that in summary the principal concern of all the represented communities, with the exception of the City of Palos Verdes Estates, which I will come back to, is that prospecting permits and a subsequent lease which might be granted without effective protection for the coastal communities -- I am sorry, we have a scramble in the printed language. May I correct this? The concern is over prospecting permits and the possible future granting of a preferential mineral lease -- which are of concern in the event that there should be detrimental effects from such off-shore exploration and extraction contrary to the expectation of technical studies or from as yet unforeseen circumstances.

The attitude of the City of Palos Verdes Estates is that any industrial process located so that it could be seen from the shore, and possibly heard, would be unesthetic and objectionable.

As of the time of the preparation of this calendar item, 149 individual and joint letters of protests to the proposed operations had been received. The tally as of this morning is 261 letters of protest received, some of them containing multiple signatures. However, all of the bases for concern and protest in these letters have been included in the discussions held with the local municipal administrators.

Therefore, in summary, with every governmental agency having technical or administrative cognizance in the area where the operations are proposed having reported to the
State Lands Commission that the operations can, in fact, be conducted without detriment to any of the other factors and usages of the same lands, it is recommended that the Commission direct the Executive Officer to undertake the development and specification of control and protective prospecting permit conditions which would be mutually satisfactory to the potentially affected coastal communities, the applicants, and the staff, with the understanding that similar necessary lease conditions would have to be developed, and would be developed in the event of future consideration of the issuance of a development lease.

As the Chairman has already noted, there are present this morning numerous representatives, both for the proponents and for the opponents to consideration by the Commission of a program for development of a basis on which the Commission might consider to issue the prospecting permits applied for.

MR. CHAMPTON: Mr. Chairman, before we hear from them I would like to ask Mr. Hortig a question: Your recommendation here in effect leaves it in your hands to determine if the parties are satisfied?

MR. HORTIG: No sir. The proposal would be that if directed, as suggested in the recommendation, by the Commission to undertake staff work, there would be staff hearings and staff review, and distribution of the information to all interested parties would be attempted to be completed to the point where the staff could return to the Commission with a
report, complete with support of all interested parties, indicat-
ing on their own part how many are satisfied, how many
remain dissatisfied and for what reasons, and then on that
basis: a new staff recommendation to the Commission as to
whether the Commission should consider cancellation of the
applications at that time or consider issuance of the permits.

MR. CHAMPION: There are no permits in existence?

MR. HORTIG: Applications. Final determination will
be definitely with the Commission. If I may estimate, if the
Commission were to participate in holding hearings on all of
the factors which have already been discussed and reviewed,
which will also be considered by the staff in the future --
if they were all to be presented in their complete detail to
the Lands Commission, you gentlemen would sit in continuous
sessions for not less than three days and well past five days,
and it is proposed that alternatively the staff be burdened.

MR. CHAMPION: You are just proposing that we direct
you to continue to try to work it out?

MR. HORTIG: Exactly.

MR. CHAMPION: All right.

MR. CRANSTON: Mr. Chairman, I move approval of the
subject recommendation, with the clear understanding that it
does come back to us for final determination after what nego-
tiations you have carried on. This is not meant to foreclose
any discussion here, although I think -- as in the other
matter we had this morning -- full and final discussion would
be better when it comes back to us at a later date. What we have to discuss here is potential minerals that may lay back in the ocean, versus a beautiful shore that is attractive to millions of citizens in the State of California -- not merely to the citizens of Palos Verdes Estates, Torrance and Redondo Beach who have submitted protests. So I think it should be with the clear understanding that it will come back to us for a final determination and I would like to state my own position at this time. I, for one, would be opposed to granting this permit unless it was possible to grant it without adversely affecting the area for the ones who enjoy it and live in this vicinity.

MR. CHAMPION: I'll second it.

GOV. ANDERSON: Aren't we kind of aggravating things by passing this? Wouldn't it be better to just deny the permits? I mean, doesn't this just continue it on? This is an attempt for you to try to work out some sort of arrangements with the various city officials in those cities, to work out some sort of formula whereby these people may make their applications and meet objections -- and I wonder if they can be met.

MR. HORTIG: This, of course, is prejudging whether all objections can be met and the staff are certainly not going to forecast categorically that they either can or cannot at this time. It is felt that particularly in view of the discussion with the city administrative officials no earlier
than last Thursday that there is a possible area for agreement
that can be reached if mechanisms can be developed for assurance.

GOV. ANDERSON: ... that they could not be seen or
heard? I mean, this is one of your objections written right
here by the City of Palos Verdes.

MR. CHAMPION: That is one city.

MR. HORTIG: That is only one portion of the area.

Whether this would be geographically subdivided out -- which is
one possibility -- or whether the objections can be overcome
by discussion as and when everyone understands the full factual
basis; and as Controller Cranston has just pointed out, whether
operations on a multiple use basis can be so prescribed so that
they could be conducted without in any way being detrimental
to the other uses and not be incompatible with the beach recre-
ation, the skin diving, the fishing, and so forth, which the
technical agencies who have reviewed this situation have re-
ported to the Lands Commission can be done ....

GOV. ANDERSON: Can they do it without barges being
out in the bay and dredging equipment? I think you are trying
to find a solution that doesn't exist. Either we are going to
let the barges go out there or we are not, and I say refuse
the permit and close the matter.

MR. HORTIG: This, of course, is within the scope of
the Commission. From the staff standpoint and the reason for
presenting it and being desirous of exploring it to the ulti-
mate -- the Commission has the responsibility for the most
effective development of all State-owned lands to the public
interests of all the people of the State of California if it
can be done without detriment.

GOV. ANDERSON: Do you consider having a barge out
there a detriment or not? Would that be a detriment to you?

MR. HORTIG: This depends upon the location of the
barge, the amount of noise generated; in fact -- and here we
get off in the area of esthetics, for which there are no
precise criteria -- even the color of the barges.

MR. CHAMPION: It seems to me it is possible --
I don't know how far out or under what circumstances, but it
is possible that it would not be a detriment, or not a detri-
ment to the point an operation couldn't go on. I would rather
see the staff go forward rather than deny without further ex-
ploration.

MR. CRANSTON: I am about as skeptical as Glenn, but
I think we should permit further exploration.

GOV. ANDERSON: Before we have testimony -- I know
there are others who want to be heard -- we hope you would
make it as brief as possible; we hope you would forward a
report on the subject. I, for example, I have a letter here from
Burton Chace, Board of Supervisors, and rather than reading it
I am just giving it to the staff; so keep it as brief as
possible.

ASSEMBLYMAN CHAPEL: Mr. Chairman and members of the
Commission, I am not a lawyer, so if I do not use the correct
phrases, you will pardon me; but I appear as a friend of the Commission. So if I say anything -- I do not give innuendos or insinuations, so if I insult anybody I hold up a sign -- so do not take anything offensive.

I will make this quite brief. I will start off by saying you have excellent legal right to grant this permit. However, I have a broad thing which you should know about, and also if you just run around to cities and councilmen and each one is thinking of their own city, I am thinking of not one but a great many. At the outset, I will give you a very brief, and will make it darned brief -- unless the Attorney General wants to crossexamine me, and I am prepared for that without a lawyer -- I presently, under the present state of the law, represent the following coastal cities: Playa Del Ray, part of the City of Los Angeles, El Segundo, Manhattan Beach, Hermosa Beach, Redondo Beach -- I represent the coastal points, and I have a large additional area which is quite satisfactory to me. I have Palos Verdes, Rolling Hills, Rolling Hills Estates, Portuguese Bend, City of Caliente (?), which is a Navy base and do not register to vote. So I represent the same coastal area, minus a small strip in Venice, which we will now discuss and what I have to say I think will be very simple.

I will start with a very brief layman's presentation. Before you start negotiating city by city, so you will get the broad thing, this is what happened here. In the year 1955 -- and at the outset I will repeat again: The law is clear; you
can grant the permit. But I want to show you how close you came
to the law that you couldn't grant it. This is important. In
the year 1955 in the General Session there was introduced a
bill, which was known in the parlance of the Legislature as
the Shell-Cunningham Act. It had nothing to do with the Shell
Oil Company; Cunningham has become a judge, Shell was a member
of the Assembly. I did not like the bill, even though Shell is
a friend of mine and the same party and even though Cunningham
was the same party --- but I think sometimes we raise above
parties, I hope. So I put in an amendment. Briefly, this is
what my amendment did. The bill we are talking about was known
as 3402, known as Chapter 1724, Statutes of '55. I have the
citation here and in my brief dissertation which has been
mailed out repeatedly to people, not only in my district but
Dills' and Thomas's and other Democratic Assemblymen, who work
with me most of the time --- I think we have these common
interests ....

Now, I put in an amendment to the Shell-Cunningham
Act and I told Cunningham I'd fire him if they didn't take the
amendment. In my amendment, I said to the public, it prohibits
oil drilling --- actually, the way it reads is "oil and gas
drilling" and I said from a point north of Santa Monica, (I
didn't bother going on, I ran clear up to the County of Ventura
line) but from a point north of Santa Monica to Point Vicente,
but I find when they got to it, it goes down to Point Fermin;
and this prohibits all oil and gas drilling. And you will
notice I am giving the truth to you, which is a startling thing for a man in politics to tell all the truth, it said that the cities own the right to vote oil drilling and that means tidelands and three miles out from the main water mark, and how you measure it. Incidentally, I admire the legal dispute we had on that because Redondo Beach has an ancient grant for oil and gas, Hermosa has an ancient grant, which they have never used; now Manhattan, I got them a grant, but their grant doesn't include oil and gas and mineral. Now, Palos Verdes is not protected because three times the City Council told me they didn't want any grant, so they didn't want it and didn't get it.

Now, here is what happened. This is in the law. This is where I made a mistake. I never thought anybody would be harvesting the ocean for minerals and I had the advice of geologists, engineers, and everybody else. I read Rex Beach's "The Spoilers" about hydraulic mining up in the Mother Lode -- you drive up in the Mother Lode and see what they did. Now, there are more than those kind of spoilers.

Statutes of California 1955, starts on Section 6871.2 and goes on and includes this exemption against drilling for oil and gas. Now, I mention this to you because while legislative intent really, as all of you know and I am sure everybody here knows whether he is a lawyer or not, legislative intent is merely a persuasive thing, something like an Attorney General's opinion -- the judge can pay attention to it or forget it or something -- you know that. It is persuasive. Now,
legislative intent is persuasive. I know the intent and if you want to know it, I refer you to the statutes and amendment to the Code, 1955 Regular Session, Volume 2. Now, it starts at the bottom of page 3172 and it goes on to 3173 and here is where we exempted it — I'll get through this in a minute and I'll tell you how you got the right to do this. When I was a judge advocate for two years in the U. S. Naval District — although I am not a lawyer (it merely proves the armed forces will give you a job whether you are qualified or not) — when I went out of the judge advocate's office I always prepared the brief for the defendant first and then prepared the brief for the prosecution, the United States, so I was ready for the lawyer.

So, I have looked up, and have had lawyers look it up, and I will again repeat you do have the right. The only reason you have it is because I forgot to amend that section of the Code. Over here on 3173, this is the area we exempt from drilling for oil and gas, and I left out minerals because I didn't think anybody would ever go for minerals, and neither did the geologists or anybody. And this is it, and I'll be short, and then I'll show you your side, because I am a friend of the court. I will show you the applicant's side. Now, here is what it is; this is the exception that I forced into the Shell-Cunningham Act: Beginning at the point of the ordinary high water mark from the southerly point of Point Fermin (that's down in Thomas's district) — you see, I work
for the Democrats most of the time in the public interest and
sometimes they are right and it isn't in the public interest.
I am not talking politics; I am just saying I worked with
Thomas — "from the southerly point of Point Fermin; thence
in a generally northerly and westerly direction along said
ordinary high water mark to the Ventura County line." I
thought of that water and I went clear to the county line of
Ventura County. "Thence due south three miles" and so forth,
and so on. Then I throw in islands, Catalina and San Clemente,
and they are exempt from all oil and gas drilling; and I
deliberately didn't put minerals in because I never thought
anybody in God's world would ever drill for minerals.

So, I merely indicate to you that it was the intent
of the Legislature to protect this part of the coast unless
the city came the right to drill for oil.

Now, why? There was many reasons. One was pollution; one was fish life, and all the men in the world can tell
you there aren't any fish there, but if there aren't any fish
there, why are the fish seiners there so many hours? They are
not out there for fun and they are catching fish — some of
them outside of the law.

Now, we have another thing — the geological problem.
You start monkeying with this — I don't mean you, but the
State — you will have the same thing as the Los Angeles
County Board of Supervisors when they start moving dirt and
cause the ruination of most of the homes in Portuguese Bend,
and they said there was a fault there -- you should have known it. That didn't do a man any good if he had his home there and now Los Angeles County can be sued if they can get the money together and they might collect because the earth movement is what started it.

Now, in pollution we have the Regional Water Pollution Control Board, we have a State Water Pollution Control Board. Frankly, they are like many boards -- long, narrow, and wooden. I went before them for two years on behalf of my city to make people stop polluting the waters, particularly the ocean waters of Manhattan Beach, because what they were doing, they were dumping untreated sewage or partially treated sewage -- and I am not going to tell you what was floating around, but it wasn't gum drops; and it wasn't only offensive to the scene, but who wants to swallow that kind of gum drop? And they turned me down. The Regional Water Pollution Board, they turned me down; they had a Deputy Attorney General there and turned me down. I went to the State Water Pollution Board and they remanded back to the district board, and they sent me back to the State board. I got the run-around for two years and finally I told the State board: "Gentlemen, I am not threatening you, but I am prophesying that I will take away much of your authority and take it back to the public health authority and let them enforce the laws of pollution." And today over half of the authority of the State Water Pollution Control Board is in the hands of the State Department of Public
Health. They came around and thanked me and I said, "Beat it, this is not a personal deal -- this is for the people" and there aren't any gum drops floating in the waters of Manhattan Beach, Hermosa and Redondo.

I mention that to you because it shows what the people want, and you can run around and talk to one city at a time but I am talking about nine, ten, eleven cities, and on behalf of the people of the State, and I will face the next election and tell them this is detrimental to the State; and the State is not so hard up, and these cities are not so hard up that they have to get money indirectly, not directly or personally.

The lawyers had to tell me I forgot to amend over here. This is the code section on oil, gas and mineral leases, Article 5, and this is the West edition on page 125, starting in on Section 6890. It is very clear you have the right to issue the permit. Now, however, I'll tell you this -- and this is not a threat because I will be in the very much minority of it, I will be lucky if I am allowed to get the Mothers' Day resolution -- but I will point out after I am re-elected I will still represent this coastal area and I will be re-elected and that is conceded. I will have enough Democrats who will be proud to amend this section which says you can grant it and amend my amendment, from which I foolishly left it out. In the meantime, if these people have a contract, then we are in a legal mess. You see the point. That's why I say I am a friend of the court.
MR. CRANSTON: I'd like permission from my second, Hale Champion, to withdraw the motion I made.

MR. CHAMPION: You have my permission.

MR. CRANSTON: It seems to me that while the law says we are to grant all natural resources to the greatest extent possible, the present state of the shoreline under discussion is a natural resource in itself and we should not allow one natural resource to be developed to the detriment of another natural resource. I gather the dredging might come very close to the shore and might come within thirty feet depth. I do not see how this can be done without adversely affecting the enjoyment of the area by all the people of the county, as well as all the people in the State, and I withdraw my motion.

MR. CHAMPION: I am going to vote against it.

GOV. ANDERSON: I will second the motion. Before we put it to the motion, are the representatives of the applicant here?

MR. SPRAY: Yes, Mr. Chairman, we would like to be heard.

ASSEMBLYMAN CHAPEL: May I thank you from the bottom of my heart ....

GOV. ANDERSON: We gave you twenty minutes, Charlie.

ASSEMBLYMAN CHAPEL: That's five minutes more than they ever have. I'll remember that ....

MR. SPRAY: Mr. Chairman, my name is Joseph Spray.
I represent the applicants. I want to say right now, as a lawyer I don't like to have a layman as an adversary. I wish to state, Mr. Chairman, that it is unfortunate, perhaps, that our assemblyman did not include the provision for minerals in the exemption, but the fact remains that it is the law today that in your discretion a lease can be given for the development of these public resources. I don't think this problem is any different than one that comes up all the time so far as oil wells are concerned. Everybody objects to the development of oil in the submerged lands and you have objections, I take it, on nearly every one of those.

Now, this situation here -- my clients have devoted a great deal of time to this in conformity to the law. They have submitted all technical information that has been requested by all the agencies. The State agencies have investigated this the Corps of Engineers, the Department of Fish and Game, the Department of Water Resources, and the Los Angeles County engineers -- and they have all stated that this operation, after an investigation, can be carried on without any detriment.

The applicants propose to use suction out there and they will not disturb the waters; and, as a matter of fact, I think we have shown everyone concerned in this that they will be able to build up the beaches there rather than cause any detriment to them. They will have ample sand there if the particular communities want that sand, and they can have it delivered and distributed upon the beaches wherever they want.
it, rather than having your black sand beaches there at the present time.

The investigation, the report, shows there will be no pollution. There will be no pollution of the waters; there will be no interference with sea life.

Now, I know you are anxious to get on with your other business and get out of here, but I do want to point out one other situation to you that came up here a few years ago, in the case of Boone versus Kingsbury, cited in 206 Cal, which was a mandate for a processing permit. In that case it had been denied, and the Supreme Court stated in that case that it is to be presumed that it was the intent of the Legislature, and the Legislature by passing the law fixed the law, and it was to be presumed that they had all these things in mind when they passed that law. The application was denied in that case because they objected to the way derricks lock and the like, and the Supreme Court said in that case, gentlemen, that the public resources were for development and the mere fact that a few people objected to the esthetic look there without showing any valid reason whereby they would be injured was not sufficient.

Now, I appreciate it's in your discretion, but as the court pointed out in that case -- they said it is to be presumed until the contrary is shown that the applicants will carry on their operations in a good, workmanlike manner and without injury to anybody; and, furthermore, the court said
that by reason of the restrictions put in and the supervision of the various State agencies, why, if they did any damage whatsoever, of course they could stop them. Mr. Ritsch, would you like to be heard?

MR. RITSCH: Yes, I would.

MR. SPRAY: Thank you.

MR. RITSCH: Honorable Chairman.....

GOV. ANDERSON: State your name.

MR. RITSCH: My name is Howard Ritsch. I am speaking not only as one of the applicants but as the engineer who will have charge of the selection and operation of the equipment.

Now, I want to state at the outset that all of these protests of whatever nature are based solely on a misconception of the nature of our operation and of the intent and the results, the effects of such an operation. Now, we are public-spirited enough, and hope good enough business men, as well as engineers, not to invite a situation where we will bring the wrath of the communities down on our head as a result of any operation we might conduct offshore.

Our operation will consist simply in this: The sucking up, just as a vacuum cleaner going over a dirty rug sucks up the dirt -- not into the room -- and directs it where it can be trapped. Our equipment will do exactly the same thing. The water that is returned to the ocean will have been processed mechanically so that virtually all the solids will have been taken out of it. There will be no silting -- that
has been one of the objections raised, that there will be an effect on marine life. These things have all been considered before we filed an application.

The pump we will use will be a pump that has actual been used and is being used for pumping live fish up over dam so if a stray fish or lobster, anything else, would happen to get into the suction, he would come out on the screen and provision would be made at that point to get him back into the water, into the ocean, or thrown gently in a tank, after accumulations of an hour or so. All of these things have been thought through.

We are not interested, certainly do not want to interfere with the fishing industry, whether it is a commercial industry or sporting industry.

Now, as to the effect on the shoreline, these communities, it seems to me, could very well share alarm of the county engineers as to the very serious erosion that has occurred over the years on this strip of shoreline. There is only one way to correct that, and that is by the deposition of additional material. There are two ways that that material can be procured: One is by putting a dredge out there especially for the purpose of sucking up sand off the ocean bottom and depositing it on the beach; the other way, of course, would be to haul sand in from onshore locations, which certainly would not be desirable for a beach. The sand up off the bottom of the ocean would be finer than the sand now on
the beach. This has all been gone over with three independent
ocean officers with the U. S. Army Engineers and other engi-
neers who are even better qualified than myself to decide
these matters.

Now, the fact that the minerals we are seeking run
into the fine grain sizes, those are the ones that will be
extracted; those are the ones that we want. Everything else
will go back. On a contract with the municipalities, that sand
that is redeposited will be a larger, medium grain diameter
than the sand we pump up for the simple reason we are taking
the finer material out. Even the silt, the silt would not be
returned, so the ocean bed and the beaches will be more silt-
free than they are today. The material deposited on the beach
will make for a stable beach. We can build the beach up 100
yards, 200 yards, whatever is deemed desirable by the communi-
ties and the counties who operate and conduct the beach.

The marine life will not be disturbed. The area
that we are interested in -- which is not the area close in
shore, we will move from where vegetation exists -- is largely
barren of marine growth. I don't say fish, but marine growth.
No interference whatsoever will be created with the aquatic
life.

Now, I'd be willing to predict that two years from
now, if this operation is put into motion, that all of thepro-
testants will wonder what in the world they ever found to
protest about because we intend to conduct this operation in
a manner that will cause no nuisance, no pollution, no noise, no smoke, no fumes, no dust, anything that possibly could be objected to by any reasonable individual.

Now, we have reassured -- in several sessions we have had with these gentlemen, we have reassured them there will be no noise, for instance. They still bring up the matter of noise. If you were to stand on deck, it would still be a quiet operation; and a half mile from the craft there certainly will be no discernible noise.

It will create no fumes. We even use devices used in the same type of engines for underground mining within a few feet of the men operating equipment who are breathing the air. That type of exhaust will be used. There will be no visible or detectible fumes of any kind. And you can go on down the line with any consideration that might have any bearing on the rights and welfare of the people of these communities.

Now, furthermore, you gentlemen know that ample provision can be written into the permits to provide whatever safeguards are deemed necessary to guard against any undesirable or deleterious results from our operation. We are out to leave the shoreline in far better shape than it is today. There is actual danger, as expressed in several quarters, of what little beach remains being washed away in this coming winter's storms and being attacked by the surf; and we will reverse that trend of the last fifteen or twenty years so that
actually we will end up with more beach, better beach, cleaner sand, and a stable beach compared with what we have today.

Now, I am hoping and planning to be in one of these communities myself and I am just as appreciative of a seascape as anybody. I am taking that into account. It is true we do have to have some type of craft out there but the type we have in mind will not be objectionable to look at. So every consideration has been given to the rights and welfare and the esthetic feelings, even, of the citizens of these communities, so with all those considerations we do feel that we are entitled to these prospecting permits -- which will provide benefit all the way down the line from the State treasury to the physical wellbeing of the communities themselves.

Thank you, gentlemen.

GOV. ANDERSON: Thank you, Mr. Reich.

MR. CHRISTOFFERSON: Honorable Chairman and gentlemen of the Commission, I am Edward Christofferson.

GOV. ANDERSON: You are the other applicant, I believe?

MR. CHRISTOFFERSON: There has been a repeating of the numbers of protests which have been filed. As I understand, or as I have felt, the protests principally are coming from a group of organized sportsmen who represent the sports fishing industry and they have affixed their names to the forms which were published in a newspaper article. This is entirely proper and we respect them and admire their position in this case.
One thing I would like to point out is that hundreds of thousands of people use the beaches each day. Those people have not been informed about the matter of building a beach or not building a beach. This is something that should be brought out as well from the standpoint of the numbers of people who will be accommodated in the improvement through the methods of mining and dredging that we propose and offer.

Every safeguard is included in the legislative act and every assurance is yours in the form of our submitted evidence of method of approach and our sincere intention to observe every possible preservation for all people and all of their feelings.

One thing that has not yet been offered in our discussion is the matter of the development which will result from the program which we offer. Now, these things are all in the problematical stage. We need to prospect to find out if that what we hope exists actually does. If it does, it will mean employment for people. It is conceivable that a minimum operation such as would be necessary for us from an economic feasibility standpoint would provide new jobs for at least fifty people. If there is a greater amount of material than we presently regard as a minimum amount of material, a great many more people could be employed; and this is no small addition to a bursting population, where jobs are becoming scarcer rather than improved. There is more competition for every job today than there was yesterday. We are bringing a
new industry with a new opportunity for the people and without any possible way in which the present population could be anything but benefited from our operation.

I think that examining carefully the engineering data that has been submitted, we have had authority that has spoken in our behalf. We have spoken with the people who represent, shall we call them, opposition groups. We have attempted to reach everyone to tell them the story and our method of operation. Unfortunately, we were not aware that the fishing, sport fishing enthusiasts, were not made a part of every meeting that we had. We felt that through a representative, who is present here, that he would carry the story of our method of operation and the assurance that there would be no damage to the fish life -- that we had reached them. Unfortunately, we found late in the past week or early in this week that we had not. We attempted to seek out the people that are interested in the protection of the fish life, in order that we may be able to assure them with authority. We have gone so far to in writing state that included in our organization will be a marine biologist, who will make regular reports to this body and every agency in the State, so there could be no possible way that we could be detrimental or injurious to any marine life or any other population or person which hasn't been stated or isn't made a part of this conversation.

Thank you, gentlemen.

MR. PECORELLI: May I be heard, Please? I don't
believe a meeting this big ever has had the opportunity, possibly, to hear from an actual diver, who has pretty well covered this area each day of the week. My name is Harry Pecorelli. I represent the skin diving group in this area.

GOV. ANDERSON: Could you make it very brief?

MR. PECORELLI: I will make it as brief as possible.

This gentleman referred to employment of possibly fifty people or more. By doing this, I can possibly relate hundreds of people who will be unemployed if anything happens in this area. In this area there are places such as Flat Rock, Haggerty Rock Pile, and so forth -- I can take out a limit in fish -- lobster, abalone. I work in that area in a diving shop -- I work every day. I have covered that entire area in Santa Monica Bay every day. I know this area like you know your own home. By removing this dirt, naturally the rock will remain, even if they don't mean to hurt anything, in doing this they are going to kill off anything around the rocks.

I just want to point out the engineers, and with all due respect to the Fish and Game, they go out and conduct the surveys but don't get actually to it like the skin divers. I have petitions signed by hundreds of people -- I could get thousands, because they all come into the shop and jump up and down about this whole thing.

GOV. ANDERSON: Please keep this brief because we still have a somewhat full calendar we want to complete.

MR. ROSEVEAR: Robert J. Rosevear, Chairman of the
Planning and Parks Commission, Palos Verdes Estates.

You mentioned that you didn't have a letter from the city in protest, in reading your item. We have one here. Our council meeting was held shortly after our previous meeting. I would like to read that letter.

GOV. ANDERSON: We would like to have any letters left with the staff.

MR. ROSEVEAR: I particularly want you to have this for the minutes. This is addressed to the State Lands Commission:

"Gentlemen:

At its meeting held October 24, 1961, the City Council of this City adopted and made a part of the official minutes of the meeting, the report from the Planning and Parks Commission dated October 19, 1961, setting forth reasons for protesting the proposed offshore dredging project.

This Council vigorously protests the granting of permits for the proposed offshore dredging and authorized Mr. Robert J. Rosevear, Chairman of the Planning and Parks Commission of this City, to appear at your meeting of October 26, 1961, on behalf of the City of Palos Verdes Estates to present our protests.

H. F. B. Roessler, Mayor"

This is in addition to the Council's letter:

"Gentlemen:

I am at this time presenting to the City Council a final report on our protests to be presented to the State Lands Commission at the public hearing to be held October 26, 1961:

1. Offshore dredging within 1,000 feet of the Palos Verdes Estates shore would create an industrial operation. The citizens of
"Palos Verdes Estates live here because of the very fact that industries are forbidden to operate on the Peninsula. We pay a much higher tax rate because of this, but are willing to do so in exchange for the privilege of living in an exclusive area. Offshore dredging would change the character and values of our properties.

2. There would be noise in any dredging operation and the proximity of the barges would make the noise very disturbing and create a very undesirable situation.

3. The most valuable properties in the City are those with a shoreline view. To clutter up the view with barges operating off the shore only one to two thousand feet would no doubt create a very bad situation. This would affect the value of the view properties to a great extent.

4. A dredging operation in the location designated by the proposed prospecting permits would disturb the growth of seaweed and vegetation, as well as the small rocks conducive to sea life.

5. An extensive exploration was carried on by five deep sea divers in the identical area of the proposed dredging operations and they found a great abundance of abalone. There was an appreciable amount of sea growth and rocks. There were sand bass, calico bass, opal eye, and some large migratory fish were sighted, although the sea was very rough. They also reported sighting lobsters.

The five divers anchored their boat approximately 750 feet off Malaga Cove and made a complete arc of 400 to 500 feet at a depth of 30 to 40 feet. They then changed locations to approximately 750 feet off Flat Rock Point. They again made a complete 400 to 500 feet arc at about 30 to 40 feet in depth. They were very frank in stating that this was one of the finest, if not the finest, bed of abalone they had ever encountered. To strip these beds through dredging operations would certainly leave this area an ocean desert and completely destroy any future sport fishing and deep sea diving.
6. There is no evidence that the rejected material from the dredges would not float shoreward. There would be a constant disturbance of the sea bottom and the silt would be suspended, only to be deposited on the shore, destroying the beaches. There is no evidence to the contrary.

7. While the danger of ground slippage has been minimized by the prospective operators, there have been so many conflicting reports it is evident that a full survey should be made before entertaining the idea of granting a permit for operations.

8. It must be emphasized that in paragraph 14 of the prospecting permit No. PRC from the State Lands Commission the following statement is made: "Upon establishing to the satisfaction of the Commission that the commercially valuable deposits of materials have been discovered within the limits of the prospecting permit, the permittee shall be entitled to a lease to a portion of the land embraced in this prospecting permit.' The lease will be for twenty years with an option to renew for an additional ten years.

9. The millions of tons of material removed from the adjacent sea floor would most certainly create a condition that could not be predicated on any previous operation. A coring of the hills above the seashore in this location shows a definite composition comparable to the hills in the Portuguese Hills area. It is admitted that a like operation has never been carried out in an area where these conditions were prevalent.

Under the circumstances set forth in this report I feel that the City Council of Palos Verdes Estates should vigorously oppose the granting of any prospecting permits.

Robert J. Rosevear, Chairman
Planning and Parks Commission

GOV. ANDERSON: Can you place that in the record?
I think most of this we have all already received.

MR. ROSEVEAR: Yes. In writing you that, I understand,
Mr. Chairman, that it was not in your minutes. While it had been received, I don't believe it has been recorded and I'd like to request it now. I also have a petition....

MR. CHAMPION: Mr. Chairman -- excuse me a moment. Is not the question before the Commission not whether to deny it but to hold it over for further examination? I think the taking of testimony for denial is unnecessary at this point and not useful to this Commission, if it is to be held over for a subsequent hearing. There is no question of the Commission today approving this and it seems to me, both for reasons of time and because it isn't applicable to the question we have before us, that we might end testimony protesting approval.

GOV. ANDERSON: The motion that is before this body at this time is a motion to deny the two permits and I would feel that if any of you have any testimony to give on that, unless this motion were voted down it would be wise to just make it a matter of record.

MR. ROSEVEAR: Thank you very much.

MR. ROBINSON: Mr. Chairman, members of the Commission, my name is Clyde Robinson, Vice President of the Ocean Fish Protective Association, and I would like to do as you suggest, present to the Commission our proposals. I have the feeling that the attitude, the motion, is on the floor for denial. I will present these to your secretary, to be submitted to you.
GOV. ANDERSON: Is there anyone further that has anything to say, to present for the record?

MR. BEASLEY: Governor, I wish to. I am J. Beasley, City Councilman of Torrance. We had a meeting the other day with Mr. Hortig and I think in his report to you he indicated a misunderstanding that should be clarified.

He indicated to you that we might agree upon a compromise. I know of no such subject which ever came up in the City of Torrance, which has such universal opposition to offshore mining; and I feel there is no way of any compromise being worked out, and I think he misunderstood because of a question from our city attorney.

GOV. ANDERSON: Mr. Hortig, I think, would like to respond to that.

MR. HORTIG: In clarifying the record, and being brief as instructed, there was no intent on my part to suggest or have any inference in my report to the State Lands Commission, Mr. Beasley, that there was a basis for compromise. I indicated that I sensed the feeling that if assurance could be given to the municipal administrators that they recognized as valid assurance and valid controls that such an operation could be conducted without detriment to anyone, then under those circumstances these administrators would be reasonable in their evaluation and determination of whether to continue their protest.

MR. BEASLEY: Yes, Mr. Hortig, this is something
that is easy to do in some cases, but we feel that this beach line with its view and the many people who have invested thousands and thousands of dollars in homes in the area and using the beach for recreational purposes would feel it too desirable to clutter it up with dredges or barges, or take chances on pollution in the water.

MR. HORTIG: You summarized it when you said "pollution" and I suspect there is no guaranteeing .......

MR. DOWER: Robert Dower, Assistant City Attorney. We have rather a serious annexation problem here, Mr. Chairman. Some years ago the City of Torrance annexed out to the three-mile mark the submerged tidelands and we wonder if it is possible to get an expression from the Attorney General, assuming that it is persuasive only, but could we get an opinion as to the jurisdiction? In other words, assuming the City has the police power, what do we have in that police power? In a preliminary way, staff counsel has told us we were unable to do anything to the three-mile mark. Could we have an Attorney General's opinion in this area? In writing would be all right.

MR. CHAMPION: Any local jurisdiction can ask the Attorney General for an opinion at any time.

GOV. ANDERSON: I think you ought to direct a letter to the Attorney General's office along the line of that question.

MR. DOWER: I think it would be helpful for your consideration, too, your Honor.
MR. JONES: Mr. Chairman, my name is North Jones. I am with the Redondo Sport Fishing Company, Redondo. We have three permanently anchored fishing vessels in this immediate area. I don't mean to bring this out any longer, but think perhaps it can be brought to a head very easily because of a discussion I had with Mr. Ritsch and Mr. Christofferson this week. They both told me there is not any chance of this mineral being available where there is vegetation. They are interested in prospecting in this area because the Department of Fish and Game has advised them there is a vegetal drought in this area. I think your report states this is a virtual marine desert.

We can give you proof that any member of any organization, particularly the Fish and Game, that makes such a statement is a desk-locked gentleman, who is either grossly misinformed or a congenital idiot. I say this not to be smart or anything -- I say this because many of the people in this room who fish, who swim and enjoy these waters, know this is for some reason a political misstatement or lie.

These gentlemen who are planning on doing this prospecting state that they can't find the mineral in the areas where there is vegetation. We know there is vegetation to a great extent. This is probably one of the finest fishing areas in southern California and my fishing competitors from seven different landings have added their names to a document which states this is true.
I think if you will ask these gentlemen if they hope to find their minerals in an area where there is vegetation, which they have told us they are not, we can bring this to a head now by disapproving their application, because we can prove to you in two hours -- we can take you on a boat this afternoon to show you great abundance of marine life and fish in this area.

MRS. GAZIN: Mr. Chairman, Patricia Gazin, Mayor of Hermosa Beach. I am grateful for the motion on the floor. I came down with great haste to introduce this Resolution 2390 of the City of Hermosa Beach opposing the proposed permit. Thank you very much for the motion on the floor.

MR. ROBINSON: In that report you will note the Greater Los Angeles Skin Diving groups and the Ocean Fish Protective Association conducted a survey of this area and we found the marine life, contrary to the statement by Fish and Game and the statement made by Ritsch and Christofferson that this is a barren area. They found the plant life itself very frequently, also the fish life in abundance, and they made the statement they had not seen abalone in as great abundance anywhere along our coast other than the offshore operations. I could go into that report....

MR. CHAMPION: Assemblyman Chapel would remind you there is an old slogan in the Assembly "If you have the vote sit down."

GOV. ANDERSON: If there is no further comment --
Does anyone else wish to have anything recorded?

MR. RITSCH: Mr. Chairman, I would like to have a couple words here. It is very obvious from the protests stated here that there is, just exactly as I said -- these are for the most part hobgoblins conjured out of open air simply because of a misconception of the effect of our operation. Now, if we have been misinformed as to what is lying on the ocean floor, I'd like to engage the services of this gentleman here, for whom I have a lot of respect. Anybody who can get out with a sled and slide over the ocean bottom! What we want to know is precisely what is out there. We had already arranged to engage an ocean auditor, both on the biological, geological and stratigraphic standpoint, so we may know what effects we might cause. This is in conjunction with the prospecting phase of our operation, not the dredging; so that if there is any undesirable result to be expected, we will know it within a matter of weeks after we begin our prospecting; and, as I stated at the outset, we are not going to -- we are good enough business men not to set up an enterprise where we are going to have to buck the opposition of several communities.

On the other hand, we still feel, in spite of all that has been stated, that adequate safeguards can be provided for our operation -- which, incidentally, will be so far offshore it will not affect the close-in rocky formations of the coastline. It will be out where the sand is deep and there is
practically nothing but sand from what information we have gathered so far.

So the thing I want to stress is the fact that these safeguards, whatever safeguards the individual communities feel called upon to insert, inject, into the permits and the lease will be provided -- that's something that can be negotiated when we get right down to facts and not these various misconceptions.

GOV. ANDERSON: The question is on the motion Mr. Cranston made, and I seconded it, that the applications for prospecting permits in Santa Monica Bay by Howard Ritsch and Edward Christofferson be denied. All in favor signify by saying "aye."

MR. CRANSTON: "Aye."

MR. CHAMPION: I want to be recorded as voting "no."

GOV. ANDERSON: Mr. Cranston and myself voting against the permits and Mr. Champion voting "no."

Proceeding now to the original calendar, on the bottom of page 5, Item Number 10 -- authorization for the Executive Officer to approve map showing the proposed boundary line of State submerged lands and the property of Waldo and Louise Giacomini along Lagunitas Creek, Marin County, California; authorization for Executive Officer to enter into agreement with Waldo and Louise Giacomini fixing said boundary. Any comment on that, Mr. Hortig?

MR. HORTIG: No, nothing further. It has been
Agreed to and the form has been approved as to form by the Office of the Attorney General.

GOV. ANDERSON: Motion to approve?

MR. CRANSTON: Yes.

MR. CHAMPION: Second.

GOV. ANDERSON: Moved and seconded, approved unanimously.

Item 11 -- authorization for Executive Officer (1) to approve boundary line along right bank of Novato Creek and (2) to enter into an agreement with the upland owners, Jack Hunt West, Jr., etcetera.

MR. HORTIG: This is an identical action to the preceding one, only the geography is different.

MR. CRANSTON: I move.

MR. CHAMPION: Second.

GOV. ANDERSON: Moved, seconded, carried unanimously.

Item 12 -- Approval of the proposed budget of the State Lands Division for the fiscal year 1962-63, in the total amount of $1,070,958. Mr. Hortig.

MR. HORTIG: You gentlemen of the Commission have previously received, I think, copies of the entire proposed budget, as submitted to the Department of Finance, and it is recommended that to supplement the report to the Department of Finance the motion of the Commission be recorded.

MR. CHAMPION: I will not be recorded on this.

MR. CRANSTON: I move approval.
GOV. ANDERSON: I will second it, and Mr. Champion wishes to be recorded as not voting.

Item 13 -- Confirmation of transactions consummated by the Executive Officer, pursuant to authority confirmed by the Commission at its meeting on October 5, 1959. Mr. Hortig.

MR. HORTIG: As the tabulations on pages 88 and 89 indicate, these were all routine renewals and extensions pursuant to delegation of authority to the Executive Officer. Confirmation of these actions is recommended.

MR. CRANSTON: Move approval.

MR. CHAMPION: Second.

GOV. ANDERSON: Moved and seconded, carried unanimously.

Item 14 is for information only: (a) Report on proposed oil and gas lease, tide and submerged land, Santa Barbara County -- Work Order 3880 (Parcel 4).

MR. HORTIG: Mr. Chairman -- which is now supplemented by a full report. Starting on page 90 of your calendars, proposed oil and gas lease, tide and submerged land, Santa Barbara County, is the actual informative item, in which it is reported that the staff recommendation would be presented as a supplemental item -- which now appears starting on page 100 of your calendars, being the Supplemental Calendar Item 47, under which on review of the bids received with respect to the subject parcel, the Attorney General's Office having reviewed the highest bid has determined that the Commission
has complied with the procedural requirements of law and that
the bid submitted conforms with the bid requirements specified
in the proposal, complies with the optimum provisions of law
and the rules and regulations of the Commission. The summary
tabulation of the bonus payments which were offered follows
on the succeeding page.

On staff evaluation as to the adequacy of the bid
offer, it is recommended by the staff that this is adequate
and, therefore, in accordance with the provisions of the Pub-
lic Resources Code it is recommended that the Commission
accept the highest qualified bid made by Richfield Oil
Corporation, Signal Oil and Gas Company, and Socony Mobil Oil
Company, Inc. jointly, and authorize the Executive Officer to
issue an oil and gas lease to the aforesaid joint bidders for
the designated Parcel 4, as detailed in previously published
notice of intention, the cash bonus payment in consideration
of issuance of the lease to be $2,101,875, as offered in the
bid.

MR. CRANSTON: I move approval.

MR. CHAMPION: Second.

GOV. ANDERSON: Moved and seconded -- carried
unanimously.

Item (b) of Item 14 is the one on Ritsch and
Christofferson and I imagine we have had enough on that.

MR. HORTIG: Yes.

GOV. ANDERSON: Item 15 -- informative only, no
Commission action required. Report on status of major litigation, Mr. Hortig?

MR. HORTIG: Nothing beyond the listed information for the Commissioners, as reported on pages 93 and 94 as to the status of the various litigations.

GOV. ANDERSON: The next item and the last item before the determination of the time and place of the next meeting is Item 3 of the Supplemental Calendar, which is Assignment of interest, Oil and Gas Lease P.R.C. 2206.1 of Newmont Oil Company....

MR. HORTIG: ... which appears at page 102 of your supplemental agenda and is presented at this time in order that consideration might be given, as recommended by staff review, to proposed sale of an interest in an existing tide and submerged lands oil and gas lease by Newmont Oil Company to Texaco, Inc.

As assignee, Texaco Inc., as lessee of the State on other leases, is already fully qualified to accept such assignment. Both the assignor and assignee have filed all the requisite documents and in order to consummate the transaction, under the provisions of the Public Resources Code, approval of the State Lands Commission is required; and approval of the State Lands Commission is recommended by the staff.

MR. CRANSTON: I so move.

MR. CHAMPION: Second.
GOV. ANDERSON: It has been moved and seconded; without comment, carried unanimously.

Then, the last item on the agenda would be the determination of the date, time and place of the next Commission meeting and I am informed the members would like to have it on Wednesday, November 22, 1961 at ten a.m. in Sacramento.

MR. HORTIG: It was set for nine a.m., Governor Anderson, unless the Commission desires to change it. The original time for the November 30th meeting was set for nine a.m.

GOV. ANDERSON: I have no objection. I am in Sacramento.

MESSRS. CRANSTON AND CHAMPION: Nine is all right with me.

GOV. ANDERSON: This is all right for the people that come up there?

MR. HORTIG: It is up to the Commissioners.

GOV. ANDERSON: All right. It will be at nine a.m. November 22nd in Sacramento. It has been moved and seconded and so carried. No further business? (No response) The meeting stands adjourned.

ADJOURNED 12:33 P.M.
CERTIFICATE OF REPORTER

I, LOUISE H. LILlico, reporter for the Office of Administrative Procedure, hereby certify that the foregoing eighty-five pages contain a full, true and correct transcript of the shorthand notes taken by me in the meeting of the State Lands Commission held in Los Angeles, California on October 26, 1961.


[Signature]

DIVISION OF ADMINISTRATIVE PROCEDURE, STATE OF CALIFORNIA