

from America's Continental Shelf, is a depletion of a capital asset. These proceeds must be considered in that context, and legislation involving their disposition must be permanent in nature, long range in application and founded upon sound principles of conservation and the prudent utilization of natural resources with a limited life.

Thus, Louisiana urges this committee and the Congress to join with Louisiana in devising a permanent program for the disposition of revenues produced from the public submerged lands just as the Congress has really already developed and enacted a permanent program for the disposition of revenues yielded from the lands of the interior of our Nation.

Any such permanent legislation must give due consideration to the needs of the States whose shores are "host" to the men whose skill, talent and dedication make possible the production of the minerals located beneath our adjacent seas.

Congress has already recognized the extent of the financial burdens imposed upon the States, in connection with the development of the mineral resources of the interior States, by allocating 37½ percent of the proceeds of such production to those States, in lieu of taxes.

And just as neither Washington, Colorado, or Wyoming may tax mineral production from public lands within their borders, so is Louisiana, and all the other coastal States, denied the power to tax mineral production from the Continental Shelf.

Yet, the demands imposed upon our coastal areas, and States, as a result of such development, are not less, and perhaps even greater, than the demands imposed upon an inland State, under like circumstances.

We all welcome the growth and long-term benefits which rapid development of a natural resource provide, but we must also recognize that none of these things are accomplished without profound problems—problems whose solutions require immediate expenditures far beyond the capabilities of most areas so affected to provide.

Almost every worker employed in offshore development lives, with his family, on the adjacent coast. His immediate needs involve schools for his children, necessary police, fire and similar protection for his home, sewerage, water and utility services for himself and his family, and, of course, transportation and related improvements for all of them.

As populations have grown and grown rapidly our coastal States have struggled in order to provide the necessary schools, roads, and related services demanded by the people whose work is so vital in developing offshore resources.

The problems are immense—not unlike those confronted by a small community which suddenly discovers itself the site of a huge military base, or some other Government installation.

In the case of the so-called federally impacted areas, the Congress has wisely recognized the necessity and justification for Federal financial assistance, just as Congress nearly a half century ago recognized the similar needs of the interior States and dedicated 37½ percent of the proceeds of mineral production to the construction of schools, roads, and like facilities within those States.

The justification for this participation is and has been long established and long embedded in the public lands legislation of our Nation,