percentum of the revenues obtained through the leasing of segments of the Outer Continental Shelf shall be paid to the States adjacent to the lands on account of which these revenues are received.

This legislation is a direct contradiction to the spirit and intended effect of the Outer Continental Shelf Lands Act which was enacted into law in 1953. This Act states on one hand in Section 4, Paragraph 3, 43 U.S.C. 1331, that:

"The provisions of this section for adoption of State law as the law of the United States shall never be interpreted as a basis for claiming any interest in or jurisdiction on behalf of any State for any purpose over the seabed and subsoil of the outer Continental Shelf, or the property and natural resources thereof or the revenues therefrom."

S. 1826, on the other hand, proposed to pay to Continental Shelf adjacent states 37½ percent of all outer Continental Shelf leasing revenues. The contradiction in this proposed legislation is obvious. If S. 1826 becomes law, it will, in effect, recognize states' interests in the seabed and subsoil of this area. Interests in the Outer Continental Shelf's mineral resources by an adjacent State have never been legally recognized. Revenue derived from these areas belong to all of the people of our Nation.

The hundreds of millions of dollars involved in this legislation are totally disproportionate to the related services provided by various states. For instance, let us consider applying the bill's formula to the billion dollars presently held in escrow from mineral leasing operations off the coast of Louisiana. The State of Louisiana would receive close to $386 million under this bill's formula. New Mexico—with its small population—would receive just over $3 million. In short, the benefits to Outer Continental Shelf adjacent States such as Louisiana under S. 1826 would accrue at the expense of the rest of our Nation.

Inland States having small populations such as New Mexico would not be the only States to suffer from this legislation. Other low-population States adjacent to the Continental Shelf but not adjacent to revenue-producing areas would also suffer. They would receive no portion of the Outer Continental Shelf revenues under the State-adjacent section of the bill and would receive relatively little of the remaining 62½ percent of revenues under the population formula section.

In summation, Mr. Chairman, I must oppose this bill in the name of all those people of our Nation who do not by chance reside in one of the few States adjacent to revenue-producing areas of the Outer Continental Shelf.

The CHAIRMAN. Senator Kuchel?

Senator KUCHEL. Mr. Chairman, I want first of all to join you in extending a welcome to the distinguished Governor of Louisiana, whom we were most pleased to listen to, along with our two friends, the distinguished Senators from that fine State.

I do want to ask some questions, Governor. The purpose of the hearings which are being held today is to inquire into the validity of two pieces of legislation. One, S. 531, which I introduced in January of last year, dealing with the land and water conservation fund, and providing for an augmentation of its revenues, and two, S. 1401, introduced in April of last year by the distinguished chairman of this committee.

I was glad to join him as a coauthor. It generally covers the same subject as the earlier bill, although there are, I am quite frank to say, refinements and improvements, in my judgment, in his bill.

Governor, are you acquainted with the provisions of S. 531 and S. 1401?

Governor MCKEITHEN. I would like for you, if you would, briefly, to tell me what they do, and see if I understand them as you do, Senator.

Senator KUCHEL. You are acquainted with the fact that we have a land and water conservation fund. The purpose of the two bills before this committee is to augment the land and water conservation fund by additional revenues, and in each instances, the augmentation