MINUTE ITEM 7/30/74

1. AUTHORIZATION FOR CALIFORNIA ATTORNEY GENERAL TO PETITION THE SUPREME COURT OF THE UNITED STATES IN THE MATTER OF PEOPLE V. WILLIAM E. SIMON, ET AL., NO. CV 74-661-JWC.

Deputy Attorney General Warren J. Abbott reported to the Commission on the current status of the case People v. William E. Simon, et al.

Pursuant to Commission authorization last February, action was brought against the Federal Energy Office to set aside their order removing the exemption that the State and local governments had from crude oil price ceilings, retroactive to October 25, 1973. The State was successful in the U. S. District Court and obtained a judgment and an injunction. The U. S. appealed to the Temporary Emergency Court of Appeals and that case was heard in oral argument July 26, 1974, in San Francisco. The Court adjourned briefly, came back, and announced its decision which was to reverse the judgment of the district court.

Mr. Abbott explained that if the Commission wished to go further it would be necessary to petition the Supreme Court of the United States within 30 days from July 26, 1974. The Attorney General recommends that the petition be filed and requests a determination from the Commission.

The Chairman commented that considering the moment of the case to the people of California and the costs, and the State's right to get a fair price that belongs to the people, the Supreme Court should be petitioned.

Upon motion duly made and seconded, the Commission authorized the Attorney General to petition the Supreme Court of the United States to take the case of People v. William E. Simon, et al.

The Commission further discussed the repayment of funds received by the State Lands Commission from the oil companies and held in impound accounts. The Commission directed the staff to bring back a program at the next Commission meeting on August 29, 1974.

The following letter was received in the office of the State Lands Commission on August 1, 1974, and by reference made a part hereof:

"The Honorable Houston Flournoy
Chairman, State Lands Commission
Room 1114, State Capitol
Sacramento, CA 95814

Dear Mr. Flournoy:

It is my understanding that, in an emergency meeting yesterday, the State Lands Commission voted to petition the U. S. Supreme Court in hopes of overturning a lower court decision that denied an exemption of state-owned oil from price controls.

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Regrettably, I was unable to be present at the meeting. Had I been there, I would have voted against the motion for the same reasons I have stated previously.

Please let the record of yesterday's meeting reflect my position.

Sincerely,

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cc: Mr. Vern Orr, Director
Department of Finance

Mr. Ed Gladdish, Executive Officer
State Lands Commission"