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JOHN F. DAVIS, CLERK

No. 9, Original

In the Supreme Court of the United States

OCTOBER TERM, 1965

UNITED STATES OF AMERICA, PLAINTIFF

v.

STATE OF LOUISIANA, ET AL.

OBJECTIONS TO THE ACCOUNTING OF THE STATE
OF LOUISIANA

THURGOOD MARSHALL,

Solicitor General,

ARCHIBALD COX,

Special Assistant to the Attorney General,

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By paragraph 7 of the Supplemental Decree entered herein on December 13, 1965, 382 U.S. 288, 293, the Court directed both parties to serve and file certain accounts within 75 days, and by paragraph 8 thereof, 382 U.S. at 294, it provided that objections to such accounts might be filed within 60 days thereafter. Both parties served and filed their accounts on February 25, 1966. Both parties have subsequently discovered certain errors in the accounts submitted and have moved the Court for leave to file corrections thereto. Pursuant to paragraph 8 of the Supplemental Decree of December 13, 1965, the United States now makes the following objections to the account of the State of Louisiana as so corrected:

(1)

1. The United States objects to paragraph 1 of said account insofar as it either (1) denies that the State of Louisiana is required to make payment of any amounts received by it after June 5, 1950, as bonuses or rentals on the leases enumerated in said paragraph and in Exhibit A to said account to the extent that such bonuses or rentals are attributable to lands described in paragraph 1 of the Supplemental Decree of December 13, 1965, or (2) asserts that the State's liability to pay such amounts is contingent upon validation by the United States of the several leases referred to.

2. The United States objects to paragraph 3 of said account insofar as it denies or reserves the question of the State's liability to make payment of amounts collected by the State after June 5, 1950, as severance taxes on production within the area described in paragraph 1 of the Supplemental Decree.

3. The United States objects to paragraph 5 of said account insofar as it denies that the State is required to make payment to the United States or to any lessee of amounts received by the State after June 5, 1950, as bonuses or rentals to the extent that such payments are attributable to lands within the area described in paragraph 1 of the Supplemental Decree.

4. The United States objects to paragraph 6 of said account insofar as it denies that the State is required to pay to the United States or to any lessee any amounts received by the State after June 5, 1950, as payment for pipeline easements in lands described in paragraph 1 of the Supplemental Decree.

The foregoing objections, numbers 1 through 4, are made on the ground that under this Court's Final Decree of December 12, 1960, 364 U.S. 502, and its Supplemental Decree of December 13, 1965, 382 U.S. 288, the State of Louisiana is required to account to the United States for, and to pay to the United States or other persons entitled thereto, all sums of money derived by the State after June 5, 1950, either by sale, leasing, licensing, exploitation or otherwise, from or on account of any of the lands, minerals or resources within the area described in paragraph 1 of the Supplemental Decree, and that all of the sums of money referred to in the foregoing objections were so derived by the State of Louisiana, and are therefore required to be paid by the State to the United States or other persons entitled thereto.

5. The United States objects to the account as to State Lease No. 4595 (Exhibit A) on the ground that it represents an erroneous determination of the portion of the payments received under said lease that is properly attributable to the area described in paragraph 1 of the Supplemental Decree.

6. The United States objects to the account as to State Lease No. 3773 (Exhibit A) insofar as it shows as royalty a larger amount than was actually received by the State of Louisiana as royalty, including therein a portion of the amount received by the State as severance tax, and fails to list the entire amount received by the State as severance tax. This objection is made on the ground that all money received by the State as royalty, and none other, should be re-

ported as royalty, and all money received by the State as severance tax should be reported as severance tax.

We make no argument in support of our objections at this time, as it is our understanding that under paragraph 8 of the Supplemental Decree these objections merely serve to preserve the points raised, and that argument in support of them should be deferred until the issues are presented to the Court by motion for settlement of the account as provided by paragraph 8 of the Supplemental Decree.

Respectfully,

THURGOOD MARSHALL,
Solicitor General.

ARCHIBALD COX,
Special Assistant to the Attorney General.

LOUIS F. CLAIBORNE,
Assistant to the Solicitor General.

GEORGE S. SWARTH,
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APRIL 1966.