CONSTITUTIONAL LAW-RELATION OF FEDERAL AND STATE GOVERNMENTS- TITLE OF UNITED STATES TO TIDELANDS

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COMMENTS

Constitutional Law—Relation of Federal and State Governments—Title of United States to Tidelands—For the past decade and a half, one of the most harassing problems in the realm of federal-state relationships has been that concerned with the ownership of the so-called "tidelands." This struggle of interests, which involves 23,000 square miles of offshore lands within the boundaries of the littoral states, has developed since 1937; for prior to that time, the Federal Government recognized the states' claims, making no assertion of federal ownership. The development of the conflict appears to be co-extensive with the discovery and development of valuable mineral deposits found under these submerged lands, which have been leased to private corporations. As early as 1921 California began leasing to oil companies some of the lands under the Pacific Ocean, with the Gulf Coast states following the plan in later years.

During the period from 1937 to 1939 several bills were presented to Congress asserting that all submerged lands along the coasts of the United States below the low water mark were property of the United States. They were instigated largely by the Navy Department, which desired the submerged lands for the creation of naval petroleum reserves. However, all attempts to have the lands declared a part of the public domain failed, due to the overwhelming opposition of the state governments and the private oil interests.

Although the dispute remained inactive during World War II, it was revived again in 1945 when the President of the United States issued the Continental Shelf Proclamation, accompanied by an Executive Order. The Proclamation stated that the land under the continental shelf, including the natural resources thereunder, was subject to the jurisdiction and control of the United States. In the Executive Order the President stated that his claim was to be of no legal effect in any litigation between the United States and a state; thus recognizing that ownership of the subsoil and sea-bed could be either in the states or the United States. To remove any possible clouds which might have

1 The term "tidelands" technically applies to the narrow strip of land between the high and low water marks. However, today it is commonly used to designate the offshore submerged lands within boundaries of the littoral states. Such is the intended meaning when the term is used in this comment.

2 For a discussion of the legislation attempted during this period, see Ireland, "Marginal Seas Around the States," 2 LA. L. Rev. 252 at 254-262 (1940).


been placed upon the state titles to the submerged lands by the previous
claims that had been asserted by the Federal Government. Congress in
1946 passed a joint resolution renouncing to the states all title and in-
terest in "lands beneath tidewaters." However, the President vetoed
the bill, thereby leaving the Supreme Court the task of deciding the
issue in the case of the United States v. California, which had been
filed while the hearings on the renunciary bill were in progress. Thus
the problem which until that time had been one with which only the
legislative and executive branches had been concerned, was placed in
the hands of the Supreme Court for a judicial determination. The
Court held in favor of the Federal Government's claim to the tide-
lands.

Once the California decision had been handed down in 1947, the
Federal Government turned its attention toward two other states which
were developing the oil resources under the submerged lands off their
coasts. Therefore, in 1949 the Attorney-General filed separate suits
against Texas and Louisiana, invoking the original jurisdiction of the
Supreme Court under Article III, Section 2 of the Constitution. The
complaint against Texas, which was identical in all material respects
with those filed against Louisiana and California, alleged that the United
States owned or had paramount right to the submerged lands and
minerals thereunder out to the edge of the continental shelf. In the
prayer for relief, the government asked for a decree declaring the
rights of the United States in the area as against Texas and enjoining
Texas and all persons claiming under it from continuing to trespass
upon the area in violation of the rights of the United States.

6 332 U.S. 19, 67 S.Ct. 1658 (1947); rehearing denied, 332 U.S. 787, 68 S.Ct. 37
(1947).
7 United States v. Texas, 339 U.S. 707, 70 S.Ct. 918 (1950); rehearing denied, 340
8 United States v. Louisiana, 339 U.S. 699, 70 S.Ct. 914 (1950); rehearing denied,
9 Art. III, Sec 2, Cl. 2 of the Constitution provides, "In all cases . . . in which a State
shall be a Party, the Supreme Court shall have original Jurisdiction."
10 The exact language of the complaint alleged that the United States "was and
is 'the owner in fee simple of, or possessed of paramount rights in and full dominion
and power over, the lands, minerals and other things underlying the Gulf of Mexico, lying sea-
ward of the ordinary low-water mark on the coast of Texas and outside of the inland waters,
extending seaward to the outer edge of the continental shelf and bounded on the east and
southwest, respectively, by the eastern boundary of the State of Texas and the boundary
between the United States and Mexico.'" The complaint also asserted that Texas, claiming
rights in that property adverse to the United States, had leased part of the described ocean
area to persons and corporations, authorizing them to enter the area to take petroleum, gas
and other hydrocarbon substances, and that the lessees had done so, paying to Texas large
amounts of money in rents and royalties for the products taken. 339 U.S. 707 at 709.
Again the Court found for the Federal Government, thus denying the claims asserted by Louisiana and Texas. Because of the present political controversy concerning the tidelands, it seems worthwhile to examine the decisions to determine their correctness and their possible influence on subsequent Court decisions.

I

Under English common law, title to beds of navigable waters within the territory and jurisdiction of England was vested in the crown as an incident of sovereignty, subject to the public rights of fishing and navigation.11 When the original thirteen colonies gained their independence from Great Britain, they became sovereign states endowed with all the rights and powers previously held by Parliament or the king. Among these rights was the absolute ownership of all lands beneath navigable water within their respective boundaries, which lands the state might use or dispose of as it saw fit. Upon entering the Union under the Constitution, those colonies did not grant to the United States the shores of the navigable waters and the soils under them, but rather reserved to themselves the title to their submerged lands.12 Probably the best known case asserting that doctrine is Pollard’s Lessee v. Hagan13 where the Court held that the original states owned in trust for their people the navigable tidewaters within each state’s boundaries and the soil under them as an inseparable attribute of state sovereignty. Further, as a consequence of a state’s being admitted on an “equal footing”14 with the other states, it became the owner of the tidelands within its boundaries, thus having the same rights, sovereignty, and jurisdiction over these submerged lands as did the original states. This principle was reaffirmed by the Supreme Court in a long and unbroken line of decisions15 many of which dealt with the

11 Weber v. Harbor Commissioners, 18 Wall. (85 U.S.) 57 (1873); Shively v. Bowlby, 152 U.S. 1, 14 S.Ct. 548 (1894).
13 3 How. (44 U.S.) 212 (1845).
14 The “equal footing” clauses of statutes of admission were usually nearly identical in their terminology, stating that the new state was admitted “on an equal footing with the original states in all respects whatever.” 3 Stat. L. 489 (1819), Alabama; 2 Stat. L. 701 (1812), Louisiana; 9 Stat. L. 452 (1850), California.
15 Prior to the California decision the Pollard case was cited with approval by the Supreme Court of the United States in 54 decisions and by state and lower federal courts in 244 decisions.
submerged lands of the sea.\textsuperscript{16} Thus prior to the \textit{California} case the doctrine of state ownership of submerged lands, both inland and coastal, was virtually undisputed.

California's claim of ownership of all lands underlying all navigable water within the boundaries of the state was based primarily upon the theory that the original thirteen states owned in fee simple all lands within three miles of their coasts, and that upon admission as a state on "equal footing," the ownership of those lands within the state's boundaries\textsuperscript{17} vested in the State of California by virtue of the rule of the \textit{Pollard} case. The Court took cognizance of that broad doctrine and further recognized that in many cases it had used language indicating that the Court then believed that states owned soils under the sea as well as under inland waters.\textsuperscript{18} However, the Court distinguished these earlier cases by saying that they were "merely paraphrases or offshoots of the Pollard inland water rule," used only in explanation of that old principle, not as an enunciation of a new ocean rule. Also, since the rule had never been specifically applied to submerged lands of the marginal belt in a suit to which the Federal Government was a party, the prior decisions were held not conclusive as to the case at hand. As a result, the Court refused to apply the doctrine of the Pollard case to the soil beneath the ocean.

As to whether the original states owned the three-mile marginal sea belt, the Court stated that it was not until shortly after becoming a nation that the three-mile belt was established through the efforts of American statesmen.\textsuperscript{19} Thus the Court found that at the time of the Revolution there was no settled international custom of a three-mile marginal sea belt, but rather such was merely a "nebulous suggestion."\textsuperscript{20}


\textsuperscript{17} Under Art. XII, Sec. 1, of the California Constitution of 1849 the state's boundary was extended three English miles from the shore.

\textsuperscript{18} For example, note the language used by the Court in Weber v. Board of Harbor Commissioners, 18 Wall. (85 U.S.) 57 at 65 (1873): "the title to the shore of the sea, and of the arms of the sea, and in the soils under tide waters is, in England, in the king, and in this country, in the state." See also, Shively v. Bowlby, 152 U.S. 1, 14 S.Ct. 548 (1894).

\textsuperscript{19} United States v. California, 332 U.S. 19 at 33, note 16, 67 S.Ct. 1658 (1947): "Secretary of State Jefferson in a note to a British minister in 1793 pointed to the nebulous character of a nation's assertions of territorial rights in the marginal belt, and put forward the first official American claim for a three-mile zone which has since won general international acceptance."

\textsuperscript{20} A few of the numerous articles written about the California case which include discussions concerning ownership by the colonies and the three-mile zone are: Naujoks,
Upon finding a complete lack of ownership of the marginal belt by California, the Court, in a 6-2 decision written by Justice Black, held that "the Federal Government rather than the state has paramount rights in and over that belt, an incident to which is full dominion over the resources of the soil under that water area, including oil." The Court rationalized its decision by saying that this was an area of national dominion over which the exercise of national external sovereignty, i.e., conduct of the United States in international affairs and defense of the country, must be carried on free from state interference.

In his persuasive dissent Justice Frankfurter stated that the majority's declaration that the Government had national dominion over the area was merely an assertion that the Federal Government was the sovereign over the area, which no one disputed, but which in fact had no relevancy as to the question of title. He felt that the majority's decree had not remotely established a proprietary interest in the Government except by sliding from absence of ownership by California to ownership by the United States. After making an analysis of the evidence given, he found that neither of the parties had ownership, but rather that the land was unclaimed. Thus a decision to claim it by the United States was a political question, not to be decided by the Court.

In United States v. Louisiana the Court, in a 6-1 decision, found that Louisiana was in no better position than California; therefore, the United States was again held to have paramount rights over the marginal sea area, with the Court basing its decision upon the rationale of the California case. Undoubtedly that same reasoning would be applied in any further action brought against any of the remaining coastal states whose claims depend upon whether the original thirteen states owned their marginal sea lands.


22 The Court seems to have derived this notion of external sovereignty from United States v. Curtis-Wright Export Corp., 299 U.S. 304, 57 S.Ct. 216 (1936), where it was said that as a result of the separation from Great Britain by the colonies acting as a unit, the powers of external sovereignty passed from the Crown, not to the colonies severally, but to the colonies in their collective and corporate capacity as the United States of America.

23 Justice Reed, also dissenting, was of the opinion that the original states owned the lands under the seas adjoining their coasts to the three-mile limit, and that California having been admitted on an equal footing had the same rights. Such ownership, he felt, would not interfere with the needs or rights of the United States in war or peace.


25 Justice Douglas wrote the majority opinion, with Justice Frankfurter dissenting. Justices Jackson and Clark did not participate.
II

The suit filed against Texas, although identical to those against Louisiana and California, presented some entirely different problems, due largely to the unique pre-admission history of Texas. The Republic of Texas, which was proclaimed by a convention on March 2, 1836, was formally recognized by the United States and several other nations. The Congress of Texas declared that its boundaries included the shallow water and the submerged lands of the Gulf of Mexico three leagues (9 miles) from shore—this claim too being recognized by the United States. In 1845 Texas was annexed to the United States by means of an annexation agreement, which in reality was a treaty between the two independent nations. The Joint Resolution, prepared by the United States and accepted by the Congress of Texas and by the people of Texas in convention, provided that upon admission Texas was to cede to the United States "all public edifices, fortifications, barracks, ports and harbors... and all other property and means pertaining to public defense" and was to retain "all the vacant and unappropriated lands lying within its limits."

The United States argued that the phrase in the Resolution, "other property and means pertaining to the public defense" included the submerged lands and thus they had been ceded to the United States. Also, the Federal Government contended that the "vacant and unappropriated lands" which by the Resolution were retained by Texas did not include the marginal belt. Since this was an original proceeding with only the pleading of the parties before the Court, Texas asked that the Court allow evidence of the contemporary and subsequent construction by the parties and of international customs and usages which would show that the contracting parties intended that Texas should retain its marginal belt lands. However, this request was denied and the Court rendered a 4-3 decision in favor of the Federal Government.

Actually the Court was not forced to decide whether or not it agreed with Texas' interpretation of the annexation agreement, for it based the decision almost wholly on the "equal footing" clause of the Joint Resolution annexing Texas to the Union. The Court held that

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26 1 Laws, Republic of Texas, p. 6.
27 The First Congress of the Republic of Texas in 1836 fixed the boundaries to extend three leagues from land. 1 Laws, Rep. of Texas, p. 133.
28 The three-league limit was recognized and followed by the United States in the Treaty of Guadalupe Hidalgo, which fixed the boundary between the United States and Mexico in 1848, 9 Stat. L. 922 (1848), and in the Gadsden Treaty between the United States and Mexico in 1853, 10 Stat. L. 1031 (1853).
by virtue of Texas’ admission “on equal footing” with all other states, any implied, special limitation of any of the paramount powers of the United States was negated, and that Texas relinquished all claim to the marginal sea, including the oil thereunder. The basis of the majority opinion, written by Justice Douglas, was quite surprising, especially in view of the fact that the question of “equal footing” was not argued before the Court. This holding that Texas entered under an “equal footing” clause seems to be erroneous, for the history and the facts of the event are to the contrary.

Aside from the holding regarding admission on “equal footing,” the Court found that Texas as a Republic had full sovereignty over and ownership of the marginal sea area. That is, Texas had both imperium (political rights) and dominium (ownership) over the belt being claimed by the United States. But the Court concluded that when Texas became a state, it relinquished any claim it had to the marginal sea, citing the California case as authority. Texas did not deny that the imperium passed to the United States, but fully recognized that the federal government possessed and had been exercising its powers relating to commerce, navigation, defense, and international affairs over the area. The argument of Texas was that the passage of imperium to the United States did not mean that the United States also gained dominium. This was based on the premise that dominium and imperium are separable, which is in accord with international and domestic law in and since 1845—i.e., the transfer of national sovereignty from one nation to another does not imply or require a cession of proprietary rights. The Court agreed that dominium and imperium are separable and separate, but refused to apply the normal rule, stating: “this is an instance where property interests are so subordinated to the rights of sovereignty as to follow sovereignty.” Thus, as in the California case,

30 The Court said that Texas entered under an “equal footing” clause found in Sec. 3 of the annexation proposal of March 1, 1845. This section was an alternative method of annexation which was never submitted to Texas and which was never considered or accepted as a part of the annexation agreement. Actually the only mention of “equal footing” in the entire annexation procedure was the inclusion of the term by the United States Congress in the final act of admission on December 29, 1845. In the original opinion the Court made no mention of that act or the clause therein; however, the opinion was later amended to state that Texas was admitted on an equal footing by the Joint Resolution of December 29, 1845. However, it appears that the Court is on no sounder ground, for as the decision stands, the only basis for the equal footing holding is a unilateral inclusion by the United States which was never accepted by Texas.

31 There is almost complete unanimity of opinion among the publicists on this point as indicated in the “Summary of Available Opinions of Jurists and Publicists—1670-1950,” pp. 18-50 of the Appendix to Brief for the State of Texas in Opposition to Motion for Judgment.

the majority was erroneously confusing the ideas of sovereignty and ownership.

That there had been recognition by the Federal Government of this distinction between ownership of submerged lands and sovereignty over the waters is illustrated by the treatment of inland navigable waters. By virtue of a state's admission on "equal footing," complete title is transferred from the United States to the states; yet the area still remains subject to the paramount rights of the Federal Government to control commerce and navigation over the waters. Why should not such a separation of imperium and dominium be allowed in the marginal sea area? As its reason, the majority of the Court said: "... once the low-water mark is passed the international domain is reached. Property rights must then be so subordinated to political rights as in substance to coalesce and unite in the national sovereign."

In a memorandum accompanying Texas' petition for rehearing, prepared by ten of the nation's outstanding authorities in international law and jurisprudence, this statement regarding an "international domain" is severely criticized as contrary to accepted authority in international law. The memorandum states that "the customs and authority of international law in and since 1845 show complete agreement that the territorial marginal sea and its subjacent soil and resources within its boundaries are under the full sovereignty of the littoral nation, subject only to the accepted rules of "innocent passage." Furthermore, it is pointed out that any international domain off the Texas coast ceased to exist once Texas became a Republic with recognized boundaries. Thus it appears there is no more need for federal ownership of the marginal sea area than there is of inland waters, since the rationalization of an international domain is not applicable to the situation.

Historically, the equal footing clause in Admissions Acts has referred only to political rights and to sovereignty. The purpose has been to put each state as it is admitted on an equal political standing with the other states, but in no way attempt to bring about economic equality. However, this clause has been held to affect certain property rights in the cases dealing with title to soils under inland navigable

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33 See cases cited in note 12 supra.
35 The joint authors of the memorandum are Joseph Walter Bingham, C. John Columbus, Gilbert Bidee, Manley O. Hudson, Charles Cheney Hyde, Hans Kelsen, William E. Masterson, Roscoe Pound, Stefan A. Riesenfeld, and Felipe Sanchez Roman. Their conclusion is concurred in by William W. Bishop, Jr.
36 United States v. Texas, Defendant's Petition for Rehearing, p. 56.
waters. There title passes to the state admitted on equal footing, since ownership of those areas has been considered a necessary attribute of state sovereignty. In the Texas case, the Court applies that idea conversely. That is, by virtue of the equal footing clause, property rights which were vested in the former Republic were taken away and given to the Federal Government. This marks a new application of the "equal footing" doctrine since it has never before been used to take from a newly admitted state property which it had theretofore owned. In the California and Louisiana decisions, the Court began with a premise of no prior ownership in the state, while in the Texas case, this new doctrine of taking for "national need" is applied to property admittedly owned by the state. As Justice Reed points out in his dissent, there seems to be no constitutional requirement that such should be done. Thus there is another indication of the extremes to which the Court went in giving the Texas lands to the Federal Government.

III

It is quite noteworthy that in all three "tidelands" decisions the Court avoids any direct statement that the Federal Government has title or ownership of the area. However, the effect of the decisions is that its paramount rights and power over the lands in question give the Federal Government all the necessary incidents to complete ownership. The privilege of taking resources, including oil, from the soil has long been recognized as a property right, and as such is governed by the law of real property. But these decisions are not based on any theory of orthodox property law. In the California case the Court admitted that its purpose was not merely that of deciding a title question, but rather it stated: "The crucial question of the merits is not merely who owns the bare legal title to the lands under the marginal sea. The United States here asserts rights in two capacities transcending those of a mere property owner."38

Such statements were repeated in the subsequent Louisiana and Texas decisions. It is the continued use of such phrases as "bare legal title," "mere property owner," and others referring to the subordinating of property rights to political rights that is one of the most disturbing elements of the cases. The decisions would seem to be setting forth a new concept of real property law and of federal powers, if the Court means that rights which have heretofore been identified with ownership may develop simply from the fact that it is the Federal Government's

responsibility to protect the area. It is not the mere fact that the littoral states are deprived of their tidelands' resources that has caused much consternation over these decisions, but rather the possibility of an extension of this doctrine of a federal power superior to title. Justice Reed, in his dissent in the Texas case, seems to indicate the possible logical extension of the majority's view, for he makes the following statement:

"The needs of defense and foreign affairs alone cannot transfer ownership of an ocean bed from a state to the Federal Government any more than they could transfer iron ore under uplands from state to federal ownership. National responsibility is no greater in respect to the marginal sea than it is toward every other particle of American territory." 40

Perhaps the Court does not intend to set forth a new theory of government or property as has been suggested. It may be that the language of the decisions was meant to cover no more than the immediate situation before the Court. Nevertheless, the decisions can be considered another step in the trend toward centralization of powers in the Federal Government. Actually that seems to be the best explanation of the decisions, since there is an absence of legal doctrine compelling the result reached. Thus in effect the cases are a holding that the Federal Government as a matter of policy is more capable of controlling and developing the resources of the marginal sea area than are the individual states. 41 However, it is unfortunate that the language used by the Court to justify this policy could conceivably be used in the future as a basis for further extensions of federal control. 42

In the long-run, the question of ownership of the tidelands will most likely be settled, not by the Supreme Court, but as Justice Frankfurter suggested in the California case—by Congress as a political mat-

39 In the Texas case, Justice Minton joined with Justice Reed. Justice Frankfurter, concurring with Justice Reed, stated: "The Court now decides that when Texas entered the Union she lost what she had and the United States acquired it. How that shift came to pass remains for me a puzzle." United States v. Texas, 339 U.S. 707 at 724, 70 S.Ct. 918 (1950).
41 For discussions concerning policy questions relating to federal ownership as opposed to state ownership, see: Hardwicke, Illig, Patterson, "The Constitution and the Continental Shelf," 26 Tex. L. Rev. 398 (1948); Clark, "National Sovereignty and Dominion Over Lands Underlying the Ocean," 27 Tex. L. Rev. 140 (1948); Illig, "Tidelands—Unsolved Problem," 24 Tulane L. Rev. 51 (1949).
42 The fear has been expressed that the Federal Government might assert a claim over the soil under inland rivers and lakes. This is primarily because of the Court's characterization in the California case of state ownership over the inland waters as "qualified."
ter. Again, numerous federal quitclaim bills\textsuperscript{43} are before Congress, with good possibilities of the settlement being in favor of state ownership. Therefore, the effects of the tidelands decisions may be nullified by legislative action in the near future.

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\textsuperscript{43} From January to June 1951, fifteen bills were presented to the House of Representatives and three to the Senate. In July 1951, one of these bills giving the tidelands back to the littoral states was passed by the House. It was subsequently referred to the Senate Committee on Interior and Insular Affairs where it is now under consideration. The bill stated that its purpose was "to confirm and establish the titles of the States to lands beneath navigable waters within State boundaries and to the natural resources within such lands and waters, to provide for the use and control of said lands and resources, and to provide for the use, control, exploration, development, and conservation of certain resources of the continental shelf lying outside of State boundaries." H.R. 4484, 82d Cong., 1st sess. (1951).