

and Oxbow projects, instead of the regular straight-line method prescribed by the FPC's uniform system of accounts?

Mr. MORGAN. Yes, sir.

Mr. MOSS. And in the failure of the Commission, at least in their opinion, to take cognizance of any of these factors, you found that there was timidity, a reluctance to move into perhaps a new area in approval of requests for finances, of expansion by company?

Mr. MORGAN. It seems so to me. And my impression was strongly reinforced by the conversations within the Commission while this case was before us.

Mr. MOSS. Now, I would say that before the California case in which you also dissented—I was under the impression that the Commission did look to the uses of the proposed findings.

Mr. MORGAN. The law requires us to.

Mr. MOSS. And I felt—I had every conviction that this was being done. So to that extent, at least to me, I could, I guess, by a very broad application of the term "fraud," say that that type of regulation at that point was not the type of regulation which I anticipated was provided for in the procedures of the Commission and contemplated in the law itself.

Mr. MORGAN. I put it as strongly as I could in my dissent. And I wrote two of them in that case. We did not do—not only did we not do what the consumers normally expected us to do—we did not do what the law requires us to do.

Mr. MOSS. That is all I have.

The CHAIRMAN. I want to continue until we get through with the letter. I think it should be analyzed before we continue further.

I don't think anyone could have any disagreement with what Mr. Moss has just said with reference to the responsibility of a Commissioner in going into any particular problem and arriving at a decision in his own mind from the facts and information he has.

But the implications with reference to the character and ability of other Commissioners, not only in your own Commission, but in other regulatory agencies, are what I think we should be interested in in this committee.

I might say, Commissioner, I have been very strong over the years for men of ability, background, and experience in these various regulatory agencies. And I have a letter on file from the President of the United States to that effect. And I have a letter on file from the former President, Mr. Eisenhower, to that effect.

In my letters to them, I urged consideration of men of ability, and when they had performed their duties, that reappointment be considered. I feel that this is a policy that should be followed by the Chief Executive.

But the real question here is that in your statement of the reasons for your not wanting reappointment, you make reference to the regulatory agencies in general, and you characterize them as manned by ordinary men, and you make reference to courage and outlook, which if not proper, and so forth, brings on the type of fraud that Mr. Moss referred to, and that seems to me to be a real problem here today.

And I wanted to know for the committee just what you meant by this characterization. I have a feeling that there has been a gradual