bersome, raises countless legal problems, involves certain procedural encroachments on producer and consumer alike, is illegal in my opinion in its effects upon both the producer and the consumer interests and, in my opinion, is neither a fair, nor an effective, way to control producer prices.

For an elaboration on this I refer you to my concurring statement in Amerada Petroleum Corp., Docket CI–62–1544, and my dissent in the fifth amendment to the statement of General Policy No. 61–1.

After inheriting this cumbersome, unwieldy price mechanism, this Commission has done little to improve it, and let me say that I am one of those who, with deep reservations, agreed to accept this pricing mechanism and try to make it work.

I left the door open for future attempts in other directions to handle pricing controls, and I am sorry that the Commission has not yet, although I have hopes it soon will, enter those doors and try some other methods.

Still this Commission has done little to improve it despite the fact that a growing body of economic facts indicates that it has been ineffectual, and that the price of gas today is more the result of competitive forces in the marketplace than the result of the so-called area pricing regulation.

I believe we should work instead for the exemption of small producers, and concentrate our resources upon the regulation of the large ones.

I believe, too, that we should regulate strictly the pipeline's purchasing programs and equip the Commission with an up-to-the-minute inventory on all gas available in the United States and use competitive forces to the extent that we possibly can.

We need a uniform system of accounts for such producers, a long-postponed responsibility and one which no steps whatsoever are being taken toward its discharge.

Three, in an effort to clear up its backlog of caseloads and paperwork the Commission has resorted, on an enormous scale, to the settlement of pipeline rate cases instead of full litigation and proper adjudication of those cases.

Partly, this is because we are short of staff and a large reason we are short of staff is the tremendous manpower we are devoting under the present method, to the control of gas prices at the producer level.

These settlements in my opinion, are a very expensive device, from the consumer's point of view, for the clearance of the Commission's backlog.

I will cite as an example the *Tennessee Gas Transmission Rate* case, which we settled a few weeks ago and in the decision of which I did not participate. I will tell you why.

There were approximately $320 million of rate increases subject to refund in this case.

The FPC staff was of the opinion that the refund should be about $210 million of that total; over two-thirds. Tennessee went to 100 intervenors in the case and got their approval for a voluntary refund of $134 million.

This is $76 million less than the staff recommended, and I did not participate in the decision of the case because of that tremendous gap.