this public power yardstick has been more effective in reducing rates and controlling rate levels than has regulation. If you look at a map of the United States, take a blank map and draw in effective rate levels for, say, 500 kilowatt-hours a month in each State, you will find wide discrepancies all over the United States.

This is not caused by regulation, but it is primarily caused, in my opinion, by the presence or absence, nearby and on an available basis, of low-cost public power.

In the areas where you don't have it, the rates are uniformly very high. In the areas where you do have it and among private power companies immediately adjacent to public power areas, those companies have found ways to get their rates down. It is a stimulus to them, it is a challenge, a goal, and they respond to it.

Now, there are places which, in my opinion, have more public power than is justified; more than they need. The State of Washington, for example, has about 62 percent of its total electric capacity in the hands of public agencies. The State of Oregon right next door has about 15 percent, which is below the national average. I think they could stand a little more.

New England has virtually none, and has the highest electric rates in the country.

I feel that public power is in danger, with the new technology coming in, of fading out of the picture. And I would not like to see that at all. I think it needs to grow and expand at a fairly rapid rate, or it will fade out of the picture.

Our power system nationally will double in the next 10 years. If public power were to remain stagnant, it would be cut in that 10 years from 20 to 10 percent. The next 10 years our total system will double again, and that means the public power, in 20 years, if it remained stationary, could be down to 5 percent of the total system, and it would no longer be effective as a yardstick to control rates.

For this reason, I would like to see public power expand at about the same rate as the total overall system. And, if it does, I think it will go on performing the very effective regulating service it has performed for 25 years or more.

Mr. YOUNGER. As long as you are leaving this field I would like to get another piece of advice from you in addition to the letter.

Do you believe that the publicly owned utilities borrowing from the Government should pay the same or equal rate of interest on its money that the taxpayer is called upon to pay on the bonds of the Government?

Mr. MORGAN. Well, I must say I have mixed feelings about that. I don't seem to have a strong opinion one way or the other. And I don't believe I have really heard both sides of the argument. I know there is a fierce argument, but I don't believe I have heard it all.

Mr. YOUNGER. In regard to the qualifications which you set up—and you have also mentioned a number of Commissioners who undoubtedly are your ideals—I would like to ask if any of them left the Commission because they could not accomplish all the things that they thought they ought to accomplish, or did they stay and fight?

Mr. MORGAN. I think all those men stayed until death or retirement.

Mr. YOUNGER. And by staying they probably accomplished something?