

all the members of a commission are more effective when someone takes care of these administrative chores and helps to shape the work of the agency so that it is easier for the whole commission to focus on the decision of cases and the formulation of policy. The contributions that are made by the other commissioners depends a lot upon them, upon their initiative, upon their resourcefulness, upon their ability to make a positive contribution which will impress their colleagues.

The second point was that no regulation of producer rates was necessary, and while Mr. Morgan did not advocate outright repeal of the authority to regulate producer rates, although, of course, if producer rate regulation is not necessary, I suppose it should be repealed—this is the implication of his comment—he said explicitly that we were barking up the wrong tree in the area rate proceedings, we should find some other workable way and that we should exempt small producers.

Mr. Moss. Excuse me, Mr. Chairman. Does Chairman Swidler have before him a copy of the transcript? I suggest that he do. I know that he desires to be fair here. The summary of the statement given by the Chairman does not accord with the transcript I have before me.

Mr. SWIDLER. These are from my notes. I will be glad to check the transcript, which was not before me when I prepared these.

Mr. Moss. It starts at the bottom of page 73.

Mr. SWIDLER. Very good. Well, here we are. I don't want to be unfair. I think this is the point that hit me. I would have checked the transcript if it were available in time—

Still this Commission has done little to improve it, despite the fact that a growing body of 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 so-called area pricing regulation.

I think this disparages the need for regulation, Mr. Moss. I am glad to use the exact language. But it holds to me the significance I drew from it yesterday in my notes.

Every day, Mr. Chairman and Mr. Moss, and other members of the subcommittee, many contracts are filed with the Federal Power Commission by producers at rates well in excess of our ceilings. Were these ceilings not in effect, those contracts would be operative. I do not see how Mr. Morgan can say that the ceilings are ineffectual, when the producers and the pipelines are entering into contracts every day for large quantities of gas at prices well above ceiling, and this, despite the existence of a firm hold on the ceilings. Where would these contracts now be, at what levels would they now be entered into if there were no ceilings at all?

Now, Mr. Morgan has said that we inherited a cumbersome pricing mechanism, the area rate proceedings. This is true. These proceedings had been started when we came here but they had been barely started. They had been given no substance and were about to be abandoned, as individual pricing had been abandoned, when this Commission brought them under control and began giving them vitality and meaning and significance.