Second. The Nation's largest, safest monopoly—which enjoys 110 percent of parity or more in good times or bad—is considered a prime example of risky, competitive free enterprise;

Third. The electric utilities, though keeping more taxes than they pay, are gratefully cited as the Nation's largest taxpayers, and

Fourth. Customer-owned, locally managed power systems are considered socialistic, while absentee-owned, proxy-managed utilities are equated with junior's lemonade stand and the local mom-and-pop corner grocery.

This remarkable inversion of real life by incessant utility advertising is the biggest hoax since Phineas T. Barnum hoodwinked the public into paying to see his "Feejee Mermaid," contrived of monkey and fish. And it is pertinent to point out that the creator of utility advertising techniques, Samuel Insull, "may be called the link between P. T. Barnum and Madison Avenue," according to the recent biography of Insull which received friendly reviews in the industry press. Forrest McDonald, "Insull," Chicago, University of Chicago Press, 1962.

The third reason for the lack of understanding of utility overcharges is the one which I want to discuss in some detail today. It is the mercenary misrepresentation of basic utility matters by men who know better.

I regret having to make a charge which reflects upon a former high Government official. It is, however, in my considered opinion, essential to sound government to put aside the myths that surround the utility business and begin a discussion based on realities.

It is bad enough when utility propagandists misrepresent facts. It is worse when men who have held positions of trust and respect in the National Government become a party to and instrument of deception.

Mr. President, I was appalled and saddened to read in a recent issue of the Congressional Record—February 16, pages H1483–H1484—a letter written by a former White House assistant, during the Kennedy administration, who formerly served on a regulatory commission.

The letter was written by Myer Feldman to Robert H. Fite, president of Florida Power & Light. Mr. Fite had asked Mr. Feldman, now a Washington attorney, to review legislation introduced in the 89th Congress dealing with exemption of certain utilities from jurisdiction of the Federal Power Commission. Mr. Feldman prepared for Mr. Fite proposed legislation to exclude the utility from FPC legislation. In his accompanying letter, Mr. Feldman wrote Mr. Fite, as follows:

"No public purpose would be served by transferring jurisdiction (of Florida Power & Light) to the Federal Power Commission. On the contrary, the public would have to pay for unnecessary duplicate surveillance, electric bills would go up instead of down, expenses would increase substantially, and the Company, its customers, and its investors would be prejudiced.

"This is clear from the history of the Company. Over the past decade there have been nine rate reductions, almost one every year. If the original rates, prior to the reductions, had been in effect last year, consumers would be paying over $100 million more for their electricity. This is a tribute to both the Florida commission and the company. Federal jurisdiction would reverse this trend, for the company would, by its estimates, have to pay between $500,000 and $600,000 a year more to meet the accounting requirements of the Federal Government. This cost would necessarily be passed to the consumer."

Mr. President, in the first place, no serious student of regulation can say that Florida electric utilities, especially Florida Power & Light, have been subject to meaningful regulation, except perhaps in very recent times, in circumstances which I shall describe. The chairman of the Florida Public Service Commission testified in 1965, in response to a question by the senior Senator from Wyoming [Mr. McGee], during hearings on S. 218, that "the best regulation is little or no regulation." An experienced reporter for the Miami Herald, Mrs. Juanita Green, attempted without success in 1964 to find out from the Florida commission the rate base of Florida Power & Light. She was told, by the director of the commission's finance department, that "where it is, if it still exists, I don't know." Utilities, unlike free enterprise business, receive a percentage of their rate base or investment. So that sorry state of affairs in Florida is comparable to a situation where a county assessor could not show an ordinary taxpayer his assessment.

Second. It is pure poppycock to assert, as Mr. Feldman did, that Federal jurisdiction would cause electric bills to increase. The cost of producing and distributing electricity is steadily decreasing. Monopoly pricing is essentially different from pricing of competitive products or services. Despite slight rate reductions the excess profits of the IOU's are growing ever larger, because of the cost reductions made possible by regional and now national power grids, nuclear power