generation, larger and more efficient plants, and because the savings are not being shared equitably with utility customers.

The return on invested capital of Florida Power & Light was 12.3 percent in 1964. The company's rate of return was one of the most exorbitant in the Nation—8.72 percent, as compared with 7.74 percent in 1961. Had the Florida Public Service Commission kept profits down at the 6.98 percent "allowed" rate which it set for the company some years ago, many millions of dollars in overcharges would have remained with the company's customers.

The principal rate reduction granted Florida Power & Light's customers results neither from the initiative of the company nor the initiative of the commission. It stems rather from the fact that the city of Miami, tiring of overcharges, hired an aggressive utility consultant, and the fact that the Miami Herald decided to cover the utility beat and report on the real world of electric utilities.

Mr. President, Mr. Feldman's reference to accounting requirements also deserves comment. Florida Power & Light is one of the many examples of IOU's which presently disregard the reasonable accounting requirements of the Federal Power Commission. Not long ago the FPC requested Florida Power & Light to itemize more than $400,000 in contributions and other expenses during 1963 which the utility had accounted, contrary to regulations, as a lump sum, and also, incorrectly, as an operating expense to be borne by the customers. In response to the FPC request, the company still did not itemize more than $125,000 in "public relations," "educational" and "donation" expenditures. Interestingly enough, the company did, when pressed for details, report spending more than $1,000 that year on subscriptions to Public Service magazine, a publication which, as the junior Senator from Alaska [Mr. Gruening] pointed out years ago in "The Public Pays," has been part of the IOU's propaganda transmission system for decades.

Public Service magazine is a conglomeration of speeches and articles by leaders of the IOU's and of the extremist organizations which the utilities endow, with your and my money. Among the organizations which receive these special favors from the IOU's and Public Service magazine are the Southern States Industrial Council—which claims that UNICEF is "completely Communist dominated" and that civil rights legislation is Communist inspired, Industrial News Review—the editorial service which distributes to 11,000 editors each week two editorials which praise the investor-owned utilities, Harding College—which in cooperation with the John Birch Society produces and distributes films and pseudoeducational material to schools and civic organizations, the Foundation for Economic Education—whose recommended literature is for the most part also found on the recommended reading lists of the John Birch Society, and the American Economic Foundation—which is the organization of Fred Clark, who has been fronting for the utilities ever since the fight over the Public Utilities Holding Company Act in the thirties.

Let me cite another example of the accounting practices of Florida Power & Light. In 1963 it cosigned with three other Florida IOU's—Florida Power Corp., Gulf Power, and Tampa Electric—an advertisement which put a Communist connotation on the Federal Power Commission's requirement that power companies account for political ads as a nonoperating expense, to be borne by stockholders rather than customers. According to this ad:

A "Berlin Wall" (is) being built in America . . . constructed of subtle and gradual curtailments of traditional American freedoms.

And the FPC "laid the first brick" by its accounting regulations. When queried concerning this ad, Florida Power & Light told the FPC:

The ad was neither reviewed or approved by the chief executive officers of this company. In fact, our name was included by mistake and consequently this company will not participate in the cost of the ad.

That was a new twist. The customers of other power companies would pay for the smear ad that bore Florida Power & Light's signature.

Mr. President, the performance of Florida Power & Light does no credit to the electric power industry, the Nation's largest. Mr. Feldman's performance is certainly no credit to his background.

State commissions have been saddled with impossible jobs and inadequate laws and staffs. We talk of the regulatory lag, but it is the regulatory lapse which should concern State and Federal officials. The supposedly regulated industries account for more than one-fifth of all business in this country and, men with knowledge and responsibilities need to examine and update the regulatory process.