

Mr. ADAMS. I think the Hartford experiment is a pretty good indication of that. Pay television has been tried in several other places. It was tried in Palm Springs on a different basis. It was tried in a suburb of Toronto. In each case the public reception was at a low level. The context of my statement, I believe, is this: that if you give the benefit of doubt to pay television, at best it is a dubious enterprise as far as Commission authorization is concerned. It certainly is a radical departure from past communication policy.

Our position at least is that to justify the exercise of authority in a cloudy situation and to depart basically, taking a new direction in communication policy, there ought to be some very active, very strong, very articulate, and clearly visible public demand. There is no evidence of any such public demand.

It seems to us that the burden of demonstrating that public demand is on the proponents, not the opponents. After all, that was the reason for the Hartford experiment. I think we should remember the context where the Commission, after considering this issue for a number of years and being faced with two conflicting arguments, said let us settle this on the basis of experience instead of listening to self-interested groups who argue on opposite sides of the fence. They laid down certain criteria and objectives. The experiment was held and it seemed to us to prove the opposite of what the claimants for pay television were arguing, including public demand.

Mr. KORNEGAY. Is there any public demand for CATV? Frankly, in my neck of the woods I don't understand why there is any need for that, but apparently there is.

Mr. ADAMS. I think there is in those places where people can't get good signals.

Mr. KORNEGAY. I understand that, but in a community where you get three grade A signals and three networks, why should there be demand for CATV? But everybody is fighting to get into the business and spending millions of dollars to go into it, so there must be a demand for it.

Mr. ADAMS. In the case you cite, I would not see where there would be a demand. Let me make this distinction as compared to pay television. Nobody has to subscribe to a CATV system if he does not want to. If he does not subscribe there is no penalty; he will see whatever is available over the air without paying a cent for it.

Mr. KORNEGAY. He does not have to subscribe to STV.

Mr. ADAMS. What if subscription TV buys away a major sports event because it has a bigger box office potential and it is removed from free television, then he cannot see it on his set unless he pays for it. That is one of the differences between CATV and pay TV.

Mr. KORNEGAY. Wasn't that same fear expressed by the opponents to CATV?

Mr. ADAMS. I don't believe so, sir.

Mr. KORNEGAY. That is by bringing in distant stations.

Mr. ADAMS. I think there was concern over more competition than the people in the marketplace were accustomed to. I don't think an argument has ever been made, nor do I see how it could be made, that CATV would displace free television because you can still get whatever you can get on your set without becoming a CATV subscriber. Also, I might add that has not been NBC's position.