

Mr. KORNEGAY. Do you feel it would be possible for over-the-air STV and free TV to exist side by side without either system causing the economic ruin of the other?

Mr. ADAMS. We do not think so, sir. If over-the-air pay television is authorized and fails then, of course, there is no issue.

Mr. KORNEGAY. That is what I was going to say. You may have answered it. If there is no demand for it you should not be worried about the competition.

Mr. ADAMS. That may well be true. But as has been said before, the concern is what if it does not fail?

Mr. HARVEY. Will you yield at this point?

Mr. KORNEGAY. I will yield because I have to go on the floor.

Mr. HARVEY. The demand might possibly be created by the decision of the artists themselves. If Elizabeth Taylor and Richard Burton decide only to appear on subscription TV they have the right to make that decision and not the FCC; is that correct?

Mr. ADAMS. That is true. There is one other consideration I believe. If 10 percent of the public or even 5 percent of the public felt that what pay television promised was worth subscribing to, pay television could on the basis of a rather small minority of the public build up a kitty large enough to outbid advertiser supported television for the very attractions that are on the air now. It is a case where a small number of people can exercise a lot of leverage that affects the total service to the total public.

Mr. BROYHILL. Is that the reason you say there is a danger that pay television will siphon off these attractions from the free service?

Mr. ADAMS. Yes, sir. That is not true of any other types of competing service, that I can think of anyway. It is a peculiarity of pay television.

Mr. KORNEGAY. Where have you ever seen Elizabeth Taylor and Richard Burton on free TV.

Mr. HARVEY. I did see them on free TV. It was not very good, as a matter of fact.

Mr. MACDONALD. The House is in session. Are there any further questions?

Mr. BROYHILL. I don't have any questions, Mr. Chairman. I appreciate your coming here. I regret that Mr. Goodman was not able to be here but I can understand that it was a matter beyond his control.

Mr. ADAMS. I think he is on a plane right now trying to get here.

Mr. BROWN. NBC appeared in favor of the establishment of public television. Was there a great public demand for that?

Mr. ADAMS. No, I don't think there was a great public demand on the part of the large masses of people, but for many, many years the educational enterprises of this country and a good deal of the leadership of the country have felt that public television, so-called public television, noncommercial broadcasting, could supply a specialized service that by its very structure and its function commercial television cannot supply as extensively as some people would like.

Mr. BROWN. What is that service?

Mr. ADAMS. That service includes more detailed discussion of public affairs and analysis than a mass audience can take and cultural programs of specialized interest.

Mr. BROWN. You mean as differentiated from the superficial news coverage that we get on commercial TV?