

Mr. ADAMS. I think necessarily. Let us take the Commission's fourth report—

Mr. BROWN. After they put "My Fair Lady" on pay TV, why can't not NBC outbid them and put it on commercial TV or put it on public TV for that matter?

Mr. ADAMS. It is a possibility but I doubt whether the commercial value to advertisers would be as great on that basis and whether the payments we could make would therefore be as large as the program suppliers are now getting.

I think pay television would tend to skim off the cream of popular appeal and exhaust their appeal before free showing.

Mr. BROWN. Let us relate this to something that has been on present commercial television.

I see reruns all the time, the series of only a couple of years ago are making the rounds again in the middle of the afternoon or in the early morning, whenever it is.

Somebody has bought those things and put them on and got them sponsored. Would there not be a commercial possibility of selling "My Fair Lady" or the world series games again next week at night so that I could see it so that I would not have to stop what I am doing during the day to see it?

Mr. ADAMS. I think that is a possibility, sir, but at a much lower economic level than the original broadcast. The example you use indicates that. The network fare that you see in the middle of the afternoon 2 or 3 years after it has gone off the network is in syndication. The owner of the rights has licensed the material for television exhibition on a station-by-station basis at a small fraction of what the networks originally paid for a national network exhibition fee. I don't think that small fraction as applied to a network rerun of what was formerly a pay television attraction would be enough to sustain the whole network program enterprise.

Mr. BROWN. One of the motives of the Public Broadcasting Act, according to some of those people who testified before us, was to raise the cultural level of Americans.

If somebody wants to put a cultural event on pay TV and has paid heavily for it out of money that people put in the slot, or mail in, or however they are going to do it, doesn't that broaden the cultural reward, the financial reward, that people who undertake cultural activities get, and encourages the opportunity for expansion of culture?

Mr. ADAMS. If that happened I think what you said would be true. One of the purposes of the Hartford experiment was to see whether it would happen. As the figures in the statement indicated, it did not happen at all. The "cultural" material—

Mr. BROWN. It will happen if we let the FCC say 10 percent of the effort must be in the cultural line, or 20 percent or 30 or 50. I would presume they can do this if they say that 90 percent of it is the limit which can be in the sports and otherwise.

Mr. ADAMS. To begin with, we disagree very strongly that the Commission has authority to lay down that sort of program regulation and to quota the amount or types of programming that can be shown on the air.

Mr. BROWN. If this committee does not speak, the Commission, I would take from the testimony of Mr. Hyde this morning, will take that authority unto itself.