

tions that the Commission has promulgated are proper regulations, whether they are adequate, whether they are unduly restrictive, or whether this thing is something that Congress should, by golly, pass a law and outlaw.

Mr. MACDONALD. On that point, perhaps it is in this blue book, I have not had a chance to go through it but who do you think has the basic jurisdiction, this committee or the FCC?

Mr. WRIGHT. The basic jurisdiction obviously is in the Congress of the United States. They passed the communications law.

Mr. MACDONALD. Do you think the FCC had jurisdiction to do this in the first place?

Mr. WRIGHT. Yes, sir; as I mentioned before, we got opinions of counsel that told us this question. I don't mean to suggest by that that this Congress cannot, at any time that it feels that the act needs amending, change the Commission's jurisdiction, in any respect it does not have the full power and right to do it.

Mr. OTTINGER. Mr. Chairman, could I ask one more question?

My feeling on the blackout situation is that any blackout is in restraint of trade and should not be permitted. How would you folks feel about a regulation prohibiting any kind of sale of exclusive rights? That is to say, you could buy the rights and put it on pay TV but you could not exclude the networks from competing and putting on the same show.

Are you for that kind of competition?

Mr. WRIGHT. I can't see any objection to that kind of thing. I can't imagine our making any kind of deal for a product that provided it would not be shown on free TV for a period of time.

Mr. OTTINGER. Does that go for your associates in RKO, too?

Mr. FLAKE. Yes; it does.

Mr. BROWN. I want to ask another question on a completely different angle.

If the amount that you are charging for having this little black box on the television set to provide the pay TV program is uniform for all receivers, how are you going to keep your friendly neighborhood bar from having the things on there and then charging everybody a quarter to walk in the front door or you have to come in and buy a beer in order to watch it, or, you know, enterprising Members of Congress might invite their friends over and charge them to watch their pay TV set in the living room, a sort of extension of commercial activity in this area?

Mr. WRIGHT. We have not really had any problems that way, Mr. Brown, yet. We put it in the veterans' hospitals and things like that free. There is absolutely no restriction on the home subscriber.

If he wants to have all his neighbors on the block in and he can afford to buy the beer and peanuts for them—maybe the fellow next door has a box, too, and they could take a turn with the box.

One family will see it at this house one day and the other family will see it at the other house the next day. I would assume that if this box got to the point where people were taking it and using it commercially to charge admissions on any wide scale that we would have problems with the people who owned the copyrights of the things that we are showing because we are primarily showing this for home television viewing and that would get them upset and we might