

In the event that pay television is successful on a nationwide basis, there is no guarantee that even the present regulations will not be eroded.

This is understatement in view of FCC Commissioner Loevinger's observation at the recent oral argument to the effect that there is "general agreement among proponents and opponents" of pay TV that "the program supervision proposed" by the FCC Subscription Television Committee, "is impractical, ill-advised, unwise, illegal, and unconstitutional and a few other things."

That comes from a Commissioner himself. You judge for yourself what that all means, gentlemen.

Permitting subscription television would divide the viewing public along economic lines according to ability and willingness to pay. Apparently STV would in the main serve an affluent minority wishing to view at home relatively new movies or sports events not available on free television.

The Subscription Television Committee, confronted with the contention of subscription TV opponents, "that 30 percent of the Nation would appear unable to afford STV" and therefore its authorization would not be in the public interest stated, fourth report, paragraph 75:

We do not find their arguments convincing. Among other things, we did observe that under the rules which we adopted herein, all those in the lowest income group who own television sets will be able to continue to see ample amounts of free television programing, so that they will not be deprived of anything, while at the same time a substantial portion of the people will be given the opportunity to view STV if it so desires.

At best, pay TV condones a discriminatory pattern that runs contrary to our philosophy. Almost one-third of the population of a given community might be barred from programs utilizing public broadcast channels to which they might otherwise have had access.

Worse yet, their free television service would be subject to downgrading and depreciation in view of the inevitable siphoning of talent by pay television despite whatever restrictions are imposed.

These direful results should stay the Congress from further inaction. We should promptly and effectively stamp out the false enthusiasm now generated by a small but powerful group of pay TV tycoons.

By default we have allowed the investor's equity to control what is basically a public service industry. Broadcasting has been treated as though it was some kind of 19th century mercantile enterprise in which property alone meant ownership.

Thus spoke Fred W. Friendly in his book "Due to Circumstances Beyond Our Control."

Well, TV is based primarily upon a Government franchise to use public property as a monopoly. As such and in return the licensee must render service in the public interest and welfare and the license is held only on good behavior. It is not a property right.

The Government, the people have some interest. Frankly, in my opinion it is unreasonable for a station which, when originally franchised, was not expected to make much money, now makes \$5 or \$10 million a year.

Should a license received originally for little or no outlay become a legacy with \$20 or \$30 million without the people who granted the license retaining an equity in it? (Friendly, id., p. 292)