

The Supreme Court, in construing the Communications Act, ruled that the license involved no property right. Yet there is no license holder who does not feel that he has a perpetual right in the license, even though he must renew it every 3 years. That opinion is bolstered by the fact that no important station permit has ever gone unrenewed.

Yes, there have been some small stations whose permits were not renewed but not a single important station. There have been derelicts of an extreme sort in many of those cases.

Do not create, by refusing to pass the bill, another gargantuan monster in the form of "coin-in-the-slot" television with assurance of stupendous profit.

Just as the FCC could not or would not really regulate sponsored TV, they would not regulate properly pay TV. Thus the evils of sponsored TV would be duplicated in pay TV.

Finally, as to the jurisdictional issue, I believe there is grave doubt whether the present Communications Act and its grant of authority contemplate or embrace the authorization of on-the-air pay television.

I say this despite the views of the Communications Commission.

This subcommittee has already explored the issue in depth in the course of these hearings, and I shall not belabor the point.

Apparently the hand of the FCC will not be stayed even by the resolution of your parent committee—as well as that of the Senate Interstate Commerce Committee—that authorization of subscription television should not be granted unless and until the Communications Act of 1934 is appropriately amended.

Chairman Hyde, at the conclusion of his testimony last Monday, testified that the Commission believes it is empowered to act on subscription television in the absence of amendatory action by the Congress. Favorable action on H.R. 12435 would clear the air once and for all.

You have enough danger signals against pay TV. Heed them.

To summarize, careful study has convinced me that the conversion of any segment of the television spectrum to the service of toll television would increase viewers' costs and broadcasters' profits, and this without any substantial hope of producing any long-range improvement in programs.

Free television, as we know it, may be downgraded to a secondary and economically untenable position. The best existing programs the public is accustomed to receiving without charge may be drained off.

The trend, noted by the House Antitrust Subcommittee, toward the monopolization of outstanding talent and program product will be accelerated. The television audience will be divided along economic lines. A method of broadcasting will be inaugurated that may drive free network television as we know it from the air waves.

The foreseeable result is a television system in which we will all be paying for much the same TV fare which now comes to us without cost.

That is my statement, gentlemen.

Mr. MACDONALD. Thank you very much, Congressman Celler.

As you were talking I was thinking, and once again you do not have to answer if you do not want to about this but I asked the question of the witness the day before yesterday and I know you are a true expert in this field.