

Mr. ERLICK. I don't think there is an inconsistency. One makes one assumption and one makes the other. We have taken a position from two different assumptions.

Mr. MACDONALD. I could not agree more with Mr. Brotzman who just picked up what I said. I don't see how you can argue out of both sides of your mouth.

Mr. ERLICK. Mr. Chairman, we are making two different assumptions. We are stating what we believe to be the consequences in both cases.

Mr. MACDONALD. Assuming it fails, how does it possibly harm you?

Mr. ERLICK. It does not, if it fails.

Mr. MACDONALD. If it succeeds, you feel it will harm you?

Mr. ERLICK. Very definitely.

Mr. MACDONALD. I am not trying to paraphrase Mr. Preminger the other day but isn't that the whole basis on which our system works, that the people of America have the right to choose whether they want to pay to see something or want to watch a movie with a number of commercials in it?

Mr. ERLICK. I think that perhaps is the crux of the argument here. Unless I misunderstand the issue, the choice the public would have would be whether to pay to see the event or not to see it at all if the event went to pay-TV. Now, that is not a very happy choice from the public standpoint.

Mr. MACDONALD. I don't know about ABC and I am not picking on your network, but I have seen movies on TV that are 15 to 20 years old. You can see John Wayne when he was an extra.

Mr. ERLICK. I suspect, Mr. Chairman, that some of those movies were local rather than network and that they were perhaps late night attractions that were not originated by the network but by the local stations.

Mr. MACDONALD. Do the networks have an agreement about how many commercials can be used during a movie that they purchase?

Mr. ERLICK. There is no agreement between the networks; no sir. There is a code which the networks adhere to, the Code of the National Association of Broadcasters, which does outline certain limits in the number of commercials.

Mr. MACDONALD. It depends on the movie I see.

Mr. ERLICK. In a 2-hour movie, there are normally 14 minutes of commercial time.

Mr. MACDONALD. Don't you think that is irritating to a lot of people?

Mr. ERLICK. Perhaps it is, Mr. Chairman, but I would just point out this in response. Were it not for those commercials, the program services which the free networks provide for the American public would be impossible.

To give you a rough idea of what we are talking about here and I have no figures from the other networks and only a rough figure from ours, but my guess is that the three program services of the three networks, including entertainment, sports, public affairs and news, runs somewhere in the area of \$450 million a year in cost.

Mr. MACDONALD. You lose on the news programs?

Mr. ERLICK. Yes; I was about to get to that if I might take 1 more minute.

Mr. MACDONALD. Right.