Mr. MACDONALD. Therefore, your argument about how it could be financed is specious. I don't think it is right.

Mr. ERLICK. I don't believe so, Mr. Chairman. All I believe the restriction provides is that the event must not have been shown. Whether it was local or not, let us leave that aside for a moment. Whether it was shown on television within a period of 2 years, free television, that is the question.

Mr. MACDONALD. If it is being shown in Boston and other places——

Mr. ERLICK. Under the circumstances I outlined to Congressman Van Deerlin, these events would not be shown on free television.

Mr. MACDONALD. On commercial television.

Mr. ERLICK. That is correct.

Mr. MACDONALD. But they would have to cancel their entire program.

Mr. ERLICK. That is right. They just won't make it available.

Mr. MACDONALD. Yes, but what you were saying to Mr. Van Deerlin, as I understand it, was that they just cut off their home games for 2 years.

Mr. ERLICK. I said assume they don't make their games available to free television at all, period, and they do sell their home games to pay TV.

Mr. MACDONALD. After 2 years?

Mr. ERLICK. No; for 2 years, during that 2-year period, after which time they would be free to sell their entire schedule to pay TV. The question was, How can a team afford to stay out for 2 years?

Mr. VAN DEERLIN. How can pay television make it worth their while?

Mr. ERLICK. Right. Another way would be if a man decides that the world series, for example, is a big enough attraction and he has a big enough pocketbook, he could say to the baseball leagues, "I will give you x dollars for this year here and x dollars for year 2 and in year 3 I will guarantee you x dollars."

Mr. MACDONALD. Sir, I don't want to dispute you about that but the regulation specifically, the fourth order and report regulation, specifically excluded the world series.

Mr. ERLICK. That was not the way we read it.

Mr. MACDONALD. Check it out.

Mr. ERLICK. All right, sir.

Mr. MACDONALD. Mr. Brotzman.

Mr. BROTZMAN. I have one question which relates to one statement you make here on page 5, Mr. Erlick. You say, "It is a virtual certainty that pay TV could afford to pay more for certain programing and could outbid free television for the most popular attractions."

I have heard discussions here about figures and I don't know what the percentage of profit is that you have, but we have talked about some pretty astronomical sums. I guess when we get down to talking about bidding for programs we get down to talking about dollars, is that correct?

Mr. ERLICK. Yes, sir.

Mr. BROTZMAN. What do you mean by that statement?

Mr. ERLICK. What I am saying is that for outstanding events such as the ones we have been talking about the price which a pay-TV business can pay for those events seems to us at least to be greater than the