

we firmly believe it quite clear that Congress founded our present regulatory system in the clear context of free reception of programs by American listeners and viewers.

We suggest that the proceeding now pending before the FCC envisages such a basic modification of the American system of broadcasting that it should not be implemented without the specific guidance of the Congress. We would take this position even if the act could be construed to grant general authority.

In its current proceeding, the Federal Communications Commission is considering the use of the frequencies for pay TV purposes. Of equal or even greater importance is the possible development of a nationwide system of wired pay television through the interconnection of CATV systems.

As you know, CATV picks up free broadcast signals and retransmits them to subscribers via cable for a fee. There are numerous applications presently pending before the Commission to interconnect many of these systems.

If there is a nationwide interconnected CATV network, it will be a simple matter to turn this into a nationwide system of wired pay TV. This is particularly true if there is no restriction upon program origination by CATV systems.

In its traditional form the community antenna, as a community antenna, can be beneficial to many people and should be encouraged. But if it is allowed to become a nationwide system of wire television, as it surely will if unchecked by the Congress and the FCC, it will be a thorn in the pocketbook of everybody.

Broadcasters are dedicated to service of the public—the whole public—in their communities. Their programming, whether it be news, entertainment, sports, or public service, and whether it be of local or network origin, is supported by advertisers.

Advertising, as we all know, is an essential element in the growth and health of our economy. It pays for itself many times over in the expansion of markets, the stimulation of employment, and the development and improvement of new products and services.

During the course of present consideration of pay television much has been said of the "public interest." Where does the interest of the public lie? What is best for all of the people, rural and urban, privileged and poor?

We believe the public interest lies in a system of diverse local broadcasting outlets, free of charge and equally available to all, urban and rural, rich and poor alike.

Mr. MACDONALD. Thank you very much, sir.

You know, those are ringing words and all that and, frankly, when I hear a witness testify for one side and then for the other it is a little confusing because all the witnesses have been persuasive.

You say, where does the interest of the public lie? That is not a bad question. That is what the Congress is here to look out for. What is wrong, to take a concrete example—and I don't want to sound just sportsminded, but it keeps coming to my mind—what is wrong if the stadium in Boston today, which hold 35,000, is sold out and I want to watch the game and I can't get a ticket—what is wrong with my right to pay \$2 or \$3, and I agree with you that charges will be that, not the 25 cents or 50 cents we have been hearing about, will be what