

they always manage to be resolved somehow. I think there would be agreements between them in order to do that.

Because the future promises such a fantastic bonanza for them I think they are willing to take the short-term loss.

Mr. MACDONALD. I don't want to sound like Johnny One Note and talk about sports all the time but that is the original question I asked the Zenith people. They said no, they would not do that.

Mr. GAYNES. I know they said it and they meant it.

Mr. MACDONALD. I am on your side in a way and yet I don't understand your answer.

Mr. GAYNES. My answer merely is that I think the Redskins could say that we are going to stay off because I think the Rams would say so, too. I think every other group would say so. They would say we are foregoing all the money we would get from the network and each one of us individually will then sell our games to the local pay television station because we can make as much money as we could by getting our share of the whole pot.

I am not saying this is going to happen tomorrow, obviously it won't because there won't be that many pay television stations but it will happen in 10 years.

The minute you get a pay television station in every home city, at that point the team I think would be more than willing because it is again a question of creating demand. They are creating a demand by their refusal to give it to the free television station.

I think from their point of view they are quite right. They are not charitable organizations, either. They have to maximize their profits. I think the longrun benefits to them would be enough to do it.

Let me say this, I would hate to be right.

Mr. MACDONALD. Which—you hate to be wrong or you hate to be right?

Mr. GAYNES. I hate to be wrong. I certainly have been that. But I would hate to be right which would be worse because you won't see pro football on television any more. It seems to me it is a terrible risk that you are running.

Certainly it is a terrible risk—you and I can disagree on what these rules mean and their effect. I don't know the answer. If you don't know the answer, who does?

Mr. MACDONALD. The FCC, I hope.

Mr. GAYNES. Oh, no.

Mr. MACDONALD. Mr. Brown.

Mr. BROWN. I would like to go through your written testimony here. I would like to ask for an expansion on a couple of points you raise.

You mentioned that "A licensed pay television system permits the licensee to directly charge for the use of public facilities (the airways) without any governmental regulation of those rates, while at the same time depriving the public of the free service it previously enjoyed over the air."

Now I am not sure I will accept the last part of that, but I would like to discuss the question of the use of public facility without regulation of those facilities.

What about the U.S. mail?

Mr. GAYNES. It is regulated. The rates are regulated.

Mr. BROWN. The rates charged by magazines, newspapers, and others for their product is regulated by the Federal Government?