

higher. Broadway productions are currently not put on as a pre-Broadway show on commercial television. The costs of converting that for that purpose are extremely high.

I believe that if STV does become a reality and it is broad enough across the land, that there would then be an opportunity to try out via the air which would in my opinion provide many more of the Broadway shows being tempting.

Obviously, I would pay my dollar or \$2 or \$3 and the show may be a bomb. Just like anything else, you go to the box office and put your dollar down. Sometimes you don't get what you look for, vis-a-vis some of the football games we just talked about.

I do feel that pay television would provide support for the sheer commercial entertainment arts. There is a great deal of stress placed on the cultural activities and I am all for them. But they are not necessarily as salable as people would like to have you believe other than the fact that pay TV can take a fairly small segment of the audience that is of not real great interest to the advertiser-sponsor but that group in itself can provide enough support via the home box office to support that activity.

So, I do believe that STV will help the cultural activities. There are enough people but they are spread. A good example is the very success of the show, "The Three Penny Opera." That play ran with great success for, I don't know how many years, in a relatively small theater in New York.

The individual who owned the rights to that show decided to take it on the road. In my discussion I said, "I think you are going to have a sorry experience because five women come in from Kansas City and they are bound to see the 'Three Penny Opera.' They are coming in every day to New York from all over the country."

There is a segment of those people who do want to see these more cultural activities. But you take that out to the area and you won't have enough to fill the theater in that community.

But STV, if it were broad enough, could do something like that because as an offering it would pick up a number within the framework of 75 miles or so.

I do not think I have answered some of the questions that you asked. I don't know if I have thrown some light on the subject.

Mr. BROWN. You have raised another interesting point and stated it very well.

What I was thinking of was a broader appeal than what you suggested: the possibility that broadcasters will be in the business of guessing public taste at the local level.

In other words, broadcasters must guess the community reaction to "Three Penny Opera" as an STV project when they pay the price to get it. If nobody signs up or indicates that they are going to watch it and pay their dollar for it, the broadcasters have lost out.

As it stands now through your networks, the local programmer's investment in a return is somewhat smaller. The risk is taken by the networks who can bring together a fairly sizable chunk of money and buy a series or expensive program. And then if it bombs out in Kansas City, they have already sold it for a time and they get back some of their money.

But when the local UHF station, which is marginal anyway, is paying a substantial amount of money to get a film or a sports event or a