

and those without, would be forced to pay for that which they now receive free of charge.

For these reasons, we strongly support the enactment of H.R. 12435.

We respectfully request that this statement be made a part of the record of your Subcommittee's hearing on pay television.

Respectfully submitted.

WARD L. QUAAL, *President.*

AMERICAN FARM BUREAU FEDERATION,
Washington, D.C., October 17, 1967.

Hon. TORBERT H. MACDONALD,
*Chairman, Power and Communications Subcommittee, Interstate and Foreign
Commerce Committee, U.S. House of Representatives, Washington, D.C.*

DEAR CONGRESSMAN MACDONALD: The American Farm Bureau Federation has followed with great interest the hearing conducted by the Power and Communications Subcommittee relative to subscription television. Farm Bureau is composed of more than 1,700,000 dues-paying farm families in more than 2,700 County Farm Bureaus in 49 states and Puerto Rico.

Our interest in this matter is predicated on the importance of television to rural America. In addition to providing entertainment, television has become a working tool for many farm families who depend upon it as a source of up-to-date weather and market reports and also information of a technical nature concerning cultural and marketing practices essential for efficient and profitable farming operations.

Consequently, the American Farm Bureau Federation for many years has maintained a firm policy position on broadcasting which, in essence, calls upon the Congress and the Federal Communications Commission to take such steps as may be required to assure rural residents the best possible radio and television service consistent with technological developments and within the framework of the American private, competitive enterprise system. Our most recent policy statement dealing with radio and television broadcasting, adopted by the voting delegates to the 1966 annual meeting states, in part:

"Adequate daytime and nighttime radio and television service should be available to farm and rural families in all areas of the nation. Neither Congress nor the Federal Communications Commission should take action to impair existing service in those areas where it is adequate. In cases where broadcasting opportunities become available, we favor allocations to rural areas not now receiving adequate service.

"We encourage broadcasters to use their franchises in the public interest and to serve adequately the interests of rural families. . . ."

Although this policy statement does not deal specifically with what generally is known as "pay television," it leaves no doubt that Farm Bureau members favor only those governmental actions or utilization of new techniques which will improve—rather than impair—present service to rural areas.

We recognize that current proposals for authorization of a subscription television system at this time would be applicable only to those centers of population which have at least five television broadcasting facilities, including the one which might be converted to a pay broadcasting basis. On the surface, it might appear that this limitation would not involve stations now serving rural areas and, therefore, would not substantially affect rural viewers. Although the effect on stations serving rural viewers might be inconsequential at the outset, the long-range results would be highly significant.

We are concerned in two respects that subscription telecasting, regardless of the degree to which it is limited initially, in the long run will tend to erode the current system of commercial television. First, any alteration of the present commercial television system which requires allocation of one or more of the limited number of channels for STV use obviously would narrow the total scope of telecasting. The public, including rural residents, would be denied access to the channels so allocated either for existing commercial usage or for expanded service.

Second, the erosion of total service doubtless would extend also to the quality of programming. With subscription service in existence, it is most likely that some of the most popular—and most expensive—productions now made available by commercial sponsors would shift to a subscription basis. In any event, top-flight talent—writers, producers, and entertainers—certainly would tend to be