

15986 which will authorize appropriations to be made in fiscal year 1969.

Let me turn, now to the question of permanent financing for public broadcasting. The working out of a long-term financing plan for the Corporation requires the most thorough consideration. This is why the President has requested the Secretary of HEW, the Secretary of the Treasury and the Director of the Bureau of the Budget to work with the Board of Directors of the Corporation for Public Broadcasting and the appropriate committees of the Congress to formulate a long-range financing plan that will promote and protect this important new institution. As the President stated on signing the Public Broadcasting Act of 1967:

The Corporation will be carefully guarded from Government or from party control. It will be free, and it will be independent—and it will belong to all the people.

Television is still a young invention. But we have learned already that it has immense—even revolutionary—power to change, to change our lives.

In brief, we are asked to devise some means of providing funds for the Corporation that will, with the agreement of the Congress, minimize those aspects of the usual Federal budgeting and appropriations cycle which might restrict the free production of programs for this public media.

On the other hand, such a plan must also include some means for a public accounting at reasonable intervals, for use of public funds, and for decisions to be made as to the appropriate level of public interest for the ensuing period.

Another challenge is to provide sufficient sources of revenue to get the job done. Estimating the needed range of revenues requires the making of assumptions as to the quality and cost of producing program materials, the number of program "options" which are to be available, the number and capability of stations, the costs and extent of use of interconnection, and the amount of research, training, and other activities to be carried out. Given the rapidly changing technology, economics, population trends, et cetera, estimating for several years hence is extremely hazardous.

At the moment, it appears there are three principal techniques for providing Federal funds for public broadcasting. Each has its advantages and disadvantages and we in the executive branch have not yet formed a preference for any one or a combination of them.

These are: (1) a tax on television and radio sets manufactured; (2) a tax on gross revenues of commercial broadcasters; and (3) some special kind of "insulation" for general Federal revenues. The following paragraphs explore these alternatives.

NEW TAX ON TELEVISION AND RADIO SETS MANUFACTURED

This is essentially the Carnegie Commission proposal. The argument would be that purchasers of TV sets and radios will be the direct beneficiaries of public broadcasting. The tax would be collected from the manufacturer and hence relatively easy to administer.

On the other hand, it is possible that the level of expenditures for TV sets, currently about \$2 billion annually, may level off after the current conversion to color sets is complete. Thus, the tax revenues