

There have been some pretty hard things said about us in connection with the matter of subscription television that has been so controversial over the years.

We started out 49 years ago with two young men who were making radios on a kitchen table back on the Edgewater Beach in Chicago. One of those men is still with us and a member of our board of directors.

We struggled along in this business before most people had even heard of the word "radio" or that there was such a gadget.

These two young men got out of the Navy and they had a license under the old regenerative patents of Maj. Howard Armstrong, who was the greater pioneer and inventor in our business. The company struggled through the years along with thousands of others who were in this business.

There are many names of companies that were famous at one time in this area that have fallen by the wayside. We have grown in this business in which we are engaged, which is primarily the manufacture of radio receivers, television receivers, and high fidelity instruments and consumer electronics and hearing aids. This is really the scope and extent of our business. We have tried to stick to the things that we knew how to do.

In the course of that, we have grown from a kitchen table operation to a company which, last year, did over \$600 million in business. We have more than 20,000 employees. We have more than 50,000 stockholders. We are, we think, the largest company in the world in the manufacture of consumer electronics.

Now, in achieving that position, the only way we could do it was by developing products that we thought the public would want to buy in competition with the products of our competitors when they got on the retailer shelves.

The whole name of our game, the whole thrust of our business, is to develop products and merchandise that we think will meet the public's demands, that will be in the price categories, that will have the features, the styling, that will make it sell in competition not only with the dozen or more manufacturers that compete with us in the United States but with all the foreign goods that come along.

Now, we are highly interested in television. Actually, television is the heart of our business. When the new fall programs come on, when the world's series comes on, when the football games come on and the new programs and everyone is excited about them, our industry's sales curve goes up like this. When the summer dog days, the days of the reruns and so forth come along, our sales curve goes down like this. This has been the pattern of our industry from the time that I know anything about it.

Now, I tell you this so that you will understand that we have a billion dollar stake right now at Zenith in seeing television become a vital vigorous force and in seeing that it does render the maximum service to the public.

Any suggestion that we would want to do something here which would limit television to a few people who might pay vast sums of money to see it and we would have anything to do with a service which would cut down free television and dry it up would certainly mean that we would be throwing away and working against the main thrust of our business now.