

Actually, our interest is the other way. Our interest is in doing everything we can to broaden this medium, to get more stations on, to get a greater variety of programing, locally and nationally, because it is only in this way that our business is really going to grow, if this medium renders a great service to the public.

Now, many years ago, we came to the conclusion that television was going to be an awful lot different than radio. Whereas in radio you could have a great dramatic show by a few people in sweat shirts standing around the microphone reading from a script, when you got to television this was going to be a very costly and difficult thing to finance. We did not believe at that time that the advertiser could afford to spend the kind of money that we felt was going to be necessary to program this thing.

Now we think of advertising support of radio as being something ingrained in this medium, that it was almost invented along with it. The truth of the matter is that this was an accident, this development of advertising in support of it.

In the early days of radio when we were starting, this was an amateur thing for the most part. There was no real broadcasting as we know it now. Great arguments went on among men in the industry then as to how radio could be supported. Would manufacturers own a radio station and use it to sell their own goods? Would the set manufacturers make a levy among themselves to pay for the broadcasting of the stations?

The use of this as an advertising support came about, the way I have heard the story, when one of the radio magazines, someone had printed 100,000 too many copies of them and they were stuck with them and they could not sell them. This was in the early days of the National Association of Broadcasters. As a matter of fact, Commander MacDonald of Zenith, who was president of Zenith and the man who really built the company, was the first president of NAB, and they got on the radio and asked people to send in for these magazines for a quarter and they sold them out. So far as I know, this was the first real use of radio as a means of selling a product.

But the technology had never been developed for practically working out a way that the public could share in the cost of bringing things that advertising could not support. So, we asked some of our cleverest research people whether there was a way that this could be done technically. We have been working on the thing in terms of research now for more than 30 years.

In the course of that, we have developed a whole variety of systems which make it technically possible to scramble a signal at the transmitter so that when it goes out over the air and is received on the TV set, both the sound and the picture are virtually unusable. They are hashed up so that if you look at them and listen to the sound, you do not get the intelligence from them.

And, at the same time, to be able economically and simply to reconstitute that picture at the subscriber's set in such a way that he does get usable picture and sound and in such a way that his doing that can be recorded so that he can pay for what he has seen.

Now, we started an experiment in the city of Chicago in 1951. We had 300 homes that were involved in this. The only programing that we