

service will develop. Thus, the Commission has the statutory obligation to authorize subscription television if it determines, upon the basis of the rational premises supplied by the Hartford trial, that subscription television holds a future potential of satisfying a public need. The Commission, of course, has adequate regulatory power to take care of any future unforeseen problems as they may arise.

It is noteworthy that, even if subscription television were authorized on a nation-wide basis, its growth and expansion will most likely develop gradually over a period of five or more years rather than overnight. Each potential subscription market would require franchise holders willing to make substantial capital investments in a new business. In many markets persons will have to be induced to apply for UHF channels so that these stations can be utilized as subscription outlets, and further time will be required for such persons to receive a grant from the Commission and to construct such stations. Subscription equipment manufacturers will have to tool up for mass production.

It is not unlikely that the expansion of subscription television will parallel to some extent the gradual growth of television stations during the pioneer period 1946-1950. Thus, our national system started in 1946 with ten television stations. In 1947, the second year, there were twelve stations operating in eight cities, and in 1948 there were thirty stations on the air in seventeen cities. At the end of 1948, there were only 460,000 television sets in circulation. By 1950, the fifth year, there were 107 television stations operating in 63 cities and there were approximately 12,500,000 receivers in the hands of the public. Ever since 1950, our national television system has shown gradual rather than overnight growth. While subscription television may have a somewhat more rapid growth and development due, among other things, to the fact that a vast majority of the American public already have television receivers in their homes which could receive subscription programs, its basic problems will be similar to those faced by the infant television industry. Risk capital ventures cautiously into new and untried businesses and momentum is gathered only after the first 10 or 20 pioneers have forged the business feasibility of the new business in the crucible of the market place. The gradual growth which may be reasonably anticipated will undoubtedly give the Commission time to view subscription's nationwide growth in an orderly manner, which will permit it to adapt the regulatory process as the need may arise, long before subscription television achieves any major nationwide penetration.