

and better things that the public want. Right now, the commercial television has a revenue of around \$3 billion.

Walter Scott, chairman of NBC, predicted just the other day that within 10 years that is going to increase to \$61½ billion.

Now, incidentally, more than 50 percent of that current \$3 billion is accounted for by the networks, themselves, in their O. & O. stations.

Now, we are starting out in Hartford and we have about 5,000 to 7,000 subscribers. Let us assume now that the Commission lets us go ahead with this thing and issues an order tomorrow to say that we can go ahead with it. It is going to take us at least 2 or 3 years to get started in a major city in terms of having anything like 10 percent of penetration.

There are only 29 cities under the Commission's present order that we could operate in, in the first place, which have five stations that would make this possible. Before we would have the kind of money that would make it possible for us to even talk about taking programs like "Petticoat Junction" and "Ed, the Talking Horse," away from the networks, we would be down the road 3 or 4 years.

Now, I want to assure this committee and I want to say this as loud and as long as I can, we have no intention of trying to arrogate to ourselves the existing programs of the networks. As long as we have anything to do with it, we will have nothing to do with the world's series; we will have nothing to do with the Rose Bowl games. We will have nothing to do with the "Ed Sullivan Show" or with "Bonanza" or with "I Spy" or with "Peyton Place" or any of these other shows.

I assure you this is not the area in which we want to operate. This is not the area where people can build up a business by bringing to the public things for which they will pay. These things are not box office. These things are built in and ingrained into free television and we don't want to touch them.

Now, they will probably tell you that these rules that the Commission has suggested are outrageous, that either they are unconstitutional or that they won't be effective. I cannot say that I care too much for those rules, either. But we are perfectly willing to accept the proposition that this Congress and the FCC acting under the Communications Act has a perfect right to take whatever regulatory steps are necessary to make sure that what we say the service should be is the way it actually is. And if these rules aren't effective in keeping this within bounds, then you certainly have the power to suggest and make any other rules that will.

Now, I cannot understand the networks' theory that we are going to wreck the system because it presupposes, first of all, that we are a bunch of crooks who want to go out and gouge the public and deceive them. Believe me, General Tire Co., who started out the same way as Zenith did, as a small tireshop some 50 years ago, and Zenith have not made their business this way. The whole key to our business is to bring something to the public that enhances our image and that the public is willing to pay for in competition with the other things that are available.

Other companies that have affiliated with us, at least in preliminary arrangements to go forward with this thing are Kaiser Aluminum on the west coast and Field Enterprises in Chicago. It is unthinkable that we would be engaged in a gigantic conspiracy here to deprive the public of free television.