

By use of lasers, by solid state array devices that I know are going to be part of this spectrum in the next 5 to 10 years, this is going to create more of a demand on the part of the public that the limitations on what they can see in their own home will be removed.

I appreciate very much the time you have granted me on this matter. I have not followed my prepared statement but I would like it to be put in the record, if I may.

Mr. MACDONALD. Without objection, it is so ordered.

(Mr. Wright's prepared statement follows:)

STATEMENT OF JOSEPH S. WRIGHT, PRESIDENT, ZENITH RADIO CORP.

Mr. Chairman, I am Joseph S. Wright, president and chief executive officer of Zenith Radio Corporation. We are grateful for this opportunity to appear before you today. Our company pioneered in the development of broadcast subscription television systems beginning in the 1930's, and has been the leading proponent of this new box office programming distribution system during the past 15 years.

In this statement, I will present briefly the principal reasons for our long interest and heavy investment in this new service, and comment on the proposal currently under consideration by the FCC. [Amendment of Part 73 of the Commission's Rules and Regulations (Radio Broadcast Services) to Provide for Subscription Television Service—Docket No. 11279.]

I will be glad to try to answer any question that members of the Committee may have. With me are three gentlemen who have been closely identified with our subscription television activities. They are intimately acquainted with the subscription operation in Hartford, Connecticut:

Mr. W. Theodore Pierson, senior partner of Pierson, Ball & Dowd, is well-known, I am sure, to members of the Committee. He has been our counsel in this matter for over 15 years.

Mr. Pieter van Beek, president of Teco, licensee of Zenith Phonevision Subscription Television Systems and for many years assistant to the president of Zenith, in charge of subscription TV activities.

Mr. Keigler Flake is General Manager of UHF station WHCT, Channel 18, Hartford, Conn., which is operated by RKO General, a subsidiary of General Tire & Rubber Co.

Mr. Flake, as manager of the station, which operates as both a commercial TV station and a subscription outlet, can answer questions about how this new service actually works in Hartford; what it means to subscribers; and what its potential is for independent TV stations.

By way of background, may I just briefly tell you something of our company and its interest in this whole subject of broadcasting. Zenith was started out 49 years ago by two young men building radio receivers on a kitchen table. This was several years before most people had even heard of this new gadget called radio.

The company has grown and prospered over this span of years, and enjoys a leading position in the field of consumer electronics products. We have more than 20,000 employees, more than 50,000 stockholders, and many plants and laboratories throughout the United States and in a number of foreign countries. The growth of the company has come about through our ability to innovate and produce and sell products and services which have won broad public acceptance in one of the most intensely competitive industries in the world.

Our main business is producing and selling radio and television receivers and high fidelity instruments, so that it is natural for us to have a direct interest in the widest possible development of broadcasting—to do everything we can to encourage the best possible radio and television service to the American public.

You would be amazed at the effect new and exciting TV or radio programming has on the public's willingness to buy radio and TV receivers. When the new fall programs premiere—when there is a world series, top pro football games, popular new shows—our industry's sales go up in a soaring curve. In the summer re-run dog days they bottom out.

From this you can see that a producer of TV receivers will necessarily be hurt by any development adversely affecting the quality and character of broadcasting available to the general public. By the same token, our interests will be favorably affected by any development which increases the public's interest in television and which adds new dimensions to the medium.