

We can live within these limitations. We believe we can meet the competition and get underway and put this new service to the test of the free market—as we do with other new products every day of our business life—and risk acceptance or rejection by the public we are trying to serve.

This has always been the ultimate test in our free market system. We believe that the viewing public can be trusted to make this decision.

We have a deep faith that the public will find subscription television a valuable service and, like the people of Hartford who have pioneered this concept in their homes, will support it with their patronage.

In summary, Mr. Chairman, we believe that the American public should have the opportunity to view motion pictures and other box office entertainment on subscription television, while they are *new* and *fresh* and *without countless commercial interruptions*—and still have the choice of seeing these pictures two or three years later on advertising-sponsored television *with* commercials, when the features' theatrical potential has been exhausted.

The competition between the two types of television service would have a beneficial effect on conventional television, since the competition for audience could motivate advertising-sponsored television to cut-down on commercial clutter, because of audience support of a subscription service without commercials.

It seems to me that the nub of the network's argument is a real fear that there will be a great public demand for a box office television service without commercials.

This is reflected in the inconsistency of their evaluation of the Hartford operation. They charge on the one hand that Hartford has proved there is no substantial public demand for subscription television—on the other, they argue that public demand will be so great that it will cripple the multi-billion dollar advertising-sponsored television system.

It seems perfectly clear the networks and movie theater owners do not want the public to have this choice and will use any means to deny it to them.

Mr. WRIGHT. If there are any questions, I will be delighted to try to answer.

Mr. MACDONALD. Thank you for a very fine statement on behalf of subscription television.

I do have a few questions about your ad lib comments. One of them, of course, relates to the experiment in Hartford.

We are told that most of the programming in Hartford that people paid to see were either movies or sports. Am I correct in that assumption?

Mr. WRIGHT. Yes; for the most part, that is absolutely correct.

Mr. MACDONALD. I am sure you have read the Commission's "Fourth Report and Order" in detail.

Mr. WRIGHT. Yes.

Mr. MACDONALD. One of the regulations that they put forth bothered me a great deal and that is the one relating to sports because sports occupies a large part of the public's thinking. You know the world series are in Boston today.

As I have read their report, it seems to me, and I asked Mr. Hyde about this, as I read their regulation it said that if commercial TV—and I think you have fallen into the trap of saying "free TV" because I agree with Mr. Preminger that it is not free—but if they are willing to forego 2 years of commercial revenue that they receive now—I am talking about the major leagues, I am not talking about the world series; that is a special event just like the Olympics which would be a separate thing, of course, under the 2-year regulation—but is it not very possible that if they were willing to forego commercial revenue for 2 years, thereafter pay TV would have all the sports that are now on commercial TV locked up completely and if you wanted to see any sports event, football, baseball, hockey, you name it, you would have