

could encourage child labor because the children would want to have more money to watch television.

Is it possible under the system that commercial television stations that are on the air now in markets where it would be permitted could have pay TV programs?

Mr. WRIGHT. Yes, sir.

In other words, it is technically possible, Mr. Brown, that if we had this set in Chicago and CBS which owns "My Fair Lady" wanted to put "My Fair Lady" on subscription TV we could process that signal out of a CBS system.

Of course, under the Commission rules that they have laid down, only one station can operate on a subscription service but it is technically possible—

Mr. BROWN. I don't know the name of the stations in New York but WNBC is an NBC affiliate in New York. Could NBC buy this system and use their present commercial station in New York to have pay TV programs part of the time? Technically now.

Mr. WRIGHT. Technically it would be possible that everybody in the New York market could be equipped with this kind of box on their set. Technically now any station in the market could have its signal processed so that it could then be decoded by this box and a billing made for that program for that subscriber.

Mr. BROWN. From this program schedule regardless of the sexy pictures in it, do I get the impression that a good part of the time you broadcast free television?

Mr. WRIGHT. Commercial television, that is exactly right. Advertiser-sponsored things that are just the same sort of thing you find on the other stations in the Hartford market.

Mr. BROWN. At 8 o'clock at night in the so-called prime time is when you go to a subscription television?

Mr. WRIGHT. Yes.

Mr. BROWN. And you are not selling commercial advertising?

Mr. WRIGHT. That is right, sir.

Mr. BROWN. With the financial resources available to the networks and the large television stations, the large broadcasters in the country, is there anything to prevent the networks or the large broadcasters from jumping into this if it is permitted so that they are the ones that go off the so-called commercial television into subscription television and the newer stations that come on take up the commercial market in those areas?

Mr. WRIGHT. Mr. Brown, I have heard witnesses from ABC and from CBS and from NBC at various times in this controversy, one just as recently as last week, that was a representative from ABC, say if this thing were approved it was going to take over all of free TV and make people pay for what they were getting free and if the system were approved that they, the networks, were going to get in it and presumably operate it in that fashion.

We are not going, as far as Zenith is concerned, to license anybody to use our system if we can possibly help it, that has any ambitions to do this sort of thing. We are perfectly willing to accept a rule if the networks are the ones that say that this is the way they could operate it if they got in it, then that would bar them from this service.

Mr. BROWN. Bar the networks?

Mr. WRIGHT. Yes, sir.