

rooms, that would have made \$40 million revenue from that one showing.

Obviously, Mr. Preminger thinks under pay TV he could get a bigger slice than \$650,000.

He told you that the networks would not close down, that they would just work harder. I agree. They will work harder to get into pay TV. What then would happen to free competition? Otto Preminger would then cry with hindsight tears.

On reviewing the voluminous fourth report submitted by the FCC Subscription Television Committee, I am convinced that today, more than ever, the major pitfalls to which I directed attention still threaten and would in no wise be eliminated by the restrictions or so-called "safeguards" with which the FCC Committee would hedge pay-television operations.

Measured by any objective standard, the experimental test carried on at Hartford, Conn., over the past few years falls far short of providing the meaningful and "significant demonstration" of trial operations for subscription television, which the Commission deemed prerequisite for further action.

To premise a full blown, untried, and highly complex pay-television system upon deductions drawn heavily from the shallow Hartford experience, is to erect a towering edifice upon a quicksand foundation.

While recognizing the manifold inadequacies of the single Hartford trial as the "projected basis" for a "new service" to be launched on a nationwide basis, the FCC Subscription Television Committee nevertheless takes comfort in the view that it provides "some attachment to reality as opposed to mere conjecture that existed before."

The phrase "some attachment" is rather flimsy as an argument. Be that as it may, there can be no justification for a reckless gamble on so tenuous a basis with a natural resource which belongs to and is so widely utilized by the people at large. Such an approach would be in derogation of "the overall public interest," which the Commission has affirmed must be the touchstone for reaching its decision in this matter.

Insofar as demonstrating any public wish for pay TV, the Hartford test was completely negative. On a 3-year basis starting in 1962, less than 1 percent of the potential of 675,000 homes in the station's service area subscribed. In fact, fewer than 5,000 families, or less than three-fourths of 1 percent of the potential audience subscribed at any one time.

There were also a substantial number who dropped out. The average subscription audience to any one program (from among all those who subscribed) was less than 6 percent.

I have failed to find in the pages of the fourth report, or in any other quarter, any indication of an expressed public desire or pressing need for the institution of a pay television system. I am, therefore, at a loss to understand how an affirmative decision by the FCC on an issue of such magnitude and so fraught with risk, can be justified at this juncture.

Where is this public demand? From Zenith? From Preminger and all those who have axes to grind? Tell me where the public demand is. What organizations throughout the Nation, credible organizations, have demanded, have come here and asked the Congress for pay television?