The consequence to the lower income groups of a shift from free to pay television was considered in a recent study entitled "The Redistributional Effect of Television Advertising."[25] The authors, F. A. Lees and C. Y. Yang of St. John's University stated:

> Our study reveals that in 1963, under the present commercial television system, all income groups in the United States experience a redistribution of income slightly in excess of one-quarter of 1 billion dollars. Conversion of the commercial system to an alternative system of pay television would result in a complete or nearly complete elimination of the benefits of this redistribution currently enjoyed by families with a disposable personal income of less than $6,400. If a metered system of pay television were adopted the entire redistributional effect would be removed. If a flat-fee system were used a small amount of redistribution would continue to exist, but the size and direction of such redistribution would depend on the viewing pattern of subscribers. Conversion to a government-supported system could be expected to alter the redistributional effect, the extent of which would depend upon the relationship between viewing pattern and progressiveness of the tax structure.

IV. THE PROPONENTS MEASURE THE ALLEGED BENEFITS OF PAY-TV ON THE BASIS OF PROJECTIONS WHICH ASSUME A SUCCESSFUL SYSTEM. ITS IMPACT ON FREE TV, HOWEVER, IS MEASURED IN TERMS OF THE HARTFORD FAILURE

From the very outset the Joint Committee has believed that Pay-TV would fail. Its continuing concern had a two-fold motivation:

a) There would be a period of Pay-TV operation prior to its collapse during which the public interest — including the broadcast and theater industry — could be drastically affected.

[25] The Economic Journal, Vol. LXXVI, June 1966, pp. 328-336. A copy of the article is attached hereto as Appendix A.