

If there was a demonstrable public demand isn't it logical to assume there would have been more than one?

We should contrast this with CATV. The whole CATV industry developed in 3 or 4 years, burgeoning at a fantastic rate, almost unbelievable.

There was a demand and need. The people demanded it and they got it. I don't think there is this demand for pay TV, not in Hartford. The average audience in Hartford was 267. It was less than 1 percent.

Mr. Macdonald, you raised the question yesterday which I think is a very pertinent and excellent one. That is, aren't people like myself a little bit inconsistent saying on the one hand there is no demand, on the other hand it is such a tremendous demand that it will destroy free television? Certainly it does appear inconsistent.

I don't think upon reflection it is that inconsistent because demand is a strange thing. It can be created. Demand can be created by scarcity. Right now you don't have a tremendous demand for pay television because the people can get pretty much everything, virtually everything, that pay TV would offer, over free TV.

You take that away from free TV and you will create the demand.

That is the answer to the apparent inconsistency. It is the economics of scarcity which will create the demand that does not now exist. Let me use a simile.

If you banned automobiles today you would have the greatest demand for the horse and buggy that you ever saw in your life. If people don't have something then, of course, they will go to the vehicle from which they can get it.

I think it is clear beyond doubt that you will not get the sports programming that you have now.

Here I would like to speak for a moment to the question that was raised yesterday about whether the pay TV people could put on pro football sports if it appears anywhere in the United States. I think that they can because the conditions that the committee would impose in the fourth report speak not about absence from free television anywhere in the United States but absence from free television in the community.

The proposed rule is section 73.643(b)(2). It says:

Sports events shall not be broadcast which have been televised live on a non-subscription regular basis in the community during the two years preceding the proposed subscription broadcast.

I agree with the representative from ABC and from the NAB that under the conditions of the fourth report the home games can immediately be sold to pay TV and they can withhold the away games for 2 years. They would not lose very much money.

At the end of the 2 years they would reap it all back. But I don't rely strictly on legal interpretation. I think events have proven that they will do this. The Los Angeles Dodgers and the San Francisco Giants kept their baseball games off free TV for years and they did it admittedly because they were looking forward to the pay TV bonanza which turned out did not result for many reasons but they certainly were willing to keep it off.

In the face of that experience I think it is at least reasonable to argue that the proponents of pay TV would do exactly the same thing.

Now what are the benefits to be gained? For years the proponents