

ated that at least 1,500 additional motion picture theatres have ceased operation since 1963.

2. You inquired as to the relative number of persons attending theatres prior and subsequent to the advent of free television. Our information indicates that in 1946 82,400,000 persons per week attended motion picture theatres in the United States. In 1966 approximately 44,000,000 attended motion pictures theatres per week.

3. You inquired as to the effect of television upon gross receipts. In 1946 the gross receipts of motion picture theatres in the United States totaled \$1,800,000,000. In 1963 the gross receipts totaled \$1,062,732,000. It should be noted that this drop of over \$700,000,000 occurred despite an increase in admission price of approximately 150% from 1946 to 1963.

4. You asked us to supply any information we might have about the effect of the Hartford pay television experiment upon the motion picture theatres at Hartford. We do not have at our disposal specific or definite data concerning the effect on Hartford motion picture houses which can be definitively ascribed to the Hartford pay television experiment. In general, some small theatres in the area closed, but at the same time new drive-in theatres were built around Hartford during the period of the experiment.

As I indicated in my testimony, it is our impression that the Hartford experiment had no measurable effect, and not too much impact, for two reasons:

a. In most cases during the Hartford test the pay television station carried subsequent run features.

b. More important, however, the test was simply too small to have any discernible effect. The pay television experiment never achieved anywhere near the 50,000 subscriber limit it envisioned in its application and, in fact, was able to attract a total of less than 5,000 subscribers. Average audience was 237 sets. Even if 2,000 persons would have tuned in at Hartford to listen to a pay television feature, this is still a small number compared to the total number of seats available in Hartford motion picture theatres.

For these reasons, we do not believe that the Hartford test was at all probative of the effect which the institution of pay television would have upon the motion picture exhibition industry.

I thank you once again for the pleasure of appearing before you.

Sincerely,

MARTIN J. GAYNES.

Mr. MACDONALD. Thank you, Mr. Brown.

I think also when you are getting those figures, I have been very curious as to what effect the subscription TV experiment in Hartford had on the theaters of Hartford. I am sure you can get those figures as well.

Mr. GAYNES. I can get those figures, but I can tell you now, it had none. It was just too small. (See letter above.)

Mr. MACDONALD. In other words, it had no effect on the theaters?

Mr. GAYNES. I don't think it had a perceptible effect on the theaters. That is only because it was too small to have any effect. You have average viewing of 237.

Mr. MACDONALD. Then what are you so afraid about?

Mr. GAYNES. I think it will have an effect. There is no question about it. If it comes it is going to come and it is not going to be 237 people.

Mr. BROWN. How do you square that, that there is not enough demand, vis-a-vis the California thing? You have to be on one side or the other.

Mr. GAYNES. The only problem is that I can't foretell the future. I have to take what appears to look like an inconsistent position but this demand, I again point out, will be a created demand. It will be a demand that is there because you can't get it anywhere else.

You are not going to get it on free television. You are going to create your own demand.

Mr. MACDONALD. I don't follow that.