

Mr. MACDONALD. As Mr. Brown indicated to me, it presumes the nonexistence of CATV with STV. It seems to me the whole ball game is changed.

Mr. LINDOW. I agree that CATV coupled with pay television, which is bound to happen unless something is done about this, poses some tremendous problems for this committee and the Congress and the Federal Communications Commission, to say nothing of the broadcast industry. I think the two do have a direct relationship to each other.

Mr. MACDONALD. I do not mean to get into the technical aspects of the thing.

You have made a fine statement.

Mr. LINDOW. Thank you, sir.

Mr. MACDONALD. On page 9, you, like all the other opponents, and I am not saying that I am for this pay TV, but you keep calling it a failure. You say based on the revenue they derived from the Hartford experiment. If it was such a failure, why are the commercial networks fearing it so much?

Mr. LINDOW. I didn't think the concern is that of the commercial networks alone. The commercial networks, incidentally, sir, are not members of our association. We represent individual stations. I think the concern of the networks is shared by the individual broadcasters, as well.

Mr. MACDONALD. If it were a failure and the public does not want it, then they are not going to use it; is that right? If they are not going to use it, Zenith and the other four or five stations are going to fall flat on their face and lose a lot of money. Is that right?

Mr. LINDOW. That is right.

Mr. MACDONALD. Therefore, are you not putting the cart before the horse in saying that this has proven to be a failure and yet you are so fearful of it? I cannot connect up the two thoughts.

Mr. LINDOW. Sir, as I said in my statement, I think the problem before us is not what happens if pay TV fails. If you and the members of this committee and other Members of the Congress, the Commission, everybody else, agree that this thing is a complete failure, then we all have been wasting an awful lot of time and money because in that case why establish pay TV and utilize scarce broadcast frequencies for this purpose? We have to address our question only to the question of what happens if it succeeds.

Mr. MACDONALD. It is not the substance of this hearing so I have not made a point of it. Mr. Dingell made a point of it, but the U.S. Government, itself, uses over half of the spectrum or reserves it. All this talk about spectrum or lack of space, to use somebody's words yesterday, is hogwash; it does not mean anything because the spectrum is there and it is not being utilized.

Mr. LINDOW. May I speak to that point, sir?

Mr. MACDONALD. Of course.

Mr. LINDOW. The spectrum is being utilized to a considerable degree and the degree of utilization has been growing at a fantastic rate—I am speaking now of the television broadcast spectrum—at a fantastic rate in these past years. Originally, when Zenith and others were trying to start the pay TV argument some years ago, Zenith made a big hue and cry on this point; we were not using the spectrum so what difference does it make?