

As I indicated in my statement, I have heard very little said, by the Zenith people at least, on the subject of new and different types of programing, different sorts of programing in the future. They used to talk about that but right now they are talking films and sports and that is what they are selling. The films they are selling up there, as Mr. Wright so correctly pointed out are the ones that are currently shown.

Mr. MACDONALD. Yes, but you said the experiment was a failure.

Mr. LINDOW. I said the test was a failure, sir.

Mr. MACDONALD. If you did an experiment and showed that a certain formula was wrong, as a businessman wouldn't you change it?

Mr. LINDOW. I certainly would.

Mr. MACDONALD. Maybe they will.

Mr. LINDOW. I didn't say their formula was wrong. I said as a test of the extent of the success of subscription television it was a failure.

Mr. MACDONALD. Mr. Brown.

Mr. BROWN. I do not follow what you are saying to Mr. Macdonald with reference to your comments on page 9. You talk about the 16 per cent penetration. Was that the Hartford penetration?

Mr. LINDOW. This is based on the Pay TV Committee's figures of what pay TV could reasonably expect to do. Again this is based on the proposed FCC "Fourth Report" and what the FCC and Zenith and everybody else said.

Mr. BROWN. What was the Hartford penetration?

Mr. LINDOW. That was much smaller than that.

Mr. BROWN. What was it?

Mr. LINDOW. 0.75 or thereabouts.

Mr. BROWN. Was that a controlled percentage or was that as much as they could get?

Mr. LINDOW. I think Zenith set forth certain limits, the total size of their test.

Mr. BROWN. Here again, if there was a forced limitation, then we have another question, have we not? Because we don't know how far Hartford might have gone if it had been left free and everybody who wanted to could have joined.

Mr. LINDOW. It was not a forced limitation. I think they just decided they wanted to spend just so much on the test.

Mr. BROWN. If they had been able to make available as many control units to as many people in Hartford that wanted it, it might have been different.

Mr. LINDOW. I think if this was spread all over the country I think it would be considerably different. If pay television was instituted as a nationwide system, it would be considerably different; yes.

Mr. BROWN. You don't think it would have been a failure?

Mr. LINDOW. This is the point I have been trying to make, sir. Again a pay TV system with this type of programing and the opportunity to get it that they will have under the rules proposed by the Commission, I don't think it will be a failure. I think it will be a howling success. As a financial operation, it would be a howling success. It might be disastrous as far as the public in concerned who would wind up paying for something they have been getting for nothing up to now.

Mr. BROWN. Wait a minute.

If people are willing to pay for a service even though somebody else is offering that service free, what is wrong with that?