

have a meal and watch topnotch entertainers, live. I can go to a movie and see something that I will later be able to see on either pay TV or free TV. I can watch the ETV channel which I help support by my contribution or which the University of Maryland or somebody else sponsors with Federal, State, and local funds. Or I can go to the symphony and hear Iturbi or to the boxing matches.

Mr. LINDOW. You are a fortunate man, sir. There are a good many people who are not in that position, right here in the District of Columbia.

Mr. BROWN. Precisely. Those people also buy things, don't they?

Mr. LINDOW. Yes.

Mr. BROWN. As a matter of fact, if you take the number of people and the number of dollars that move with these people a lot of them buy more than the people who go out and watch live entertainment at the Shoreham because those people drive out in their Cadillacs and Lincolns and there are not very many Cadillacs and Lincolns sold versus the number of Fords that are sold.

What I am getting at is that we are in a position in free TV now where the number of things which are most common in our society, and I don't use the word "common" in a deprecatory way, are the things that the advertiser wants to sell to people he cannot get to through free television. If you want to sell something to people who have money, you sell it through the Wall Street Journal because the people who have money buy the Wall Street Journal.

Now my question is: Does not pay TV offer the possibility of aiming for audience selection that would provide for the selection of an economic strata market and intellectual strata market, and with pay TV in combination with free TV you would be offering to the advertisers of this country, for instance, a broader possibility of making the economic system work?

Mr. LINDOW. The proposed FCC pay TV report recognizes, as I indicated, that pay TV programs would largely be duplicative of the free TV program. Let me quote this again. They state: "The reality is that the major part of the program, as the proponents argue, will be of a kind that would appeal to a mass audience" and not this select group that you are just talking about, sir.

Mr. GOLDBERG. The economic pressures are the same in commercial television as they are in pay television, to maximize the profit. You don't have this in public television because you don't worry about the profit. But where you are worrying about the profits you want to maximize them. The economic pressure, whether they are using the cost per thousand of free television or the box office economics of pay television, is the same. It would lead to the same kind of programing. The Hartford test was not a failure in terms of what could be financially successful on pay television.

At Etobicoke, the experiment showed the same thing. This is in the proposed FCC report, that the programing which seemed to satisfy most of the people most of the time was the readymade audience packages of films and sports.

The Hartford experiment was a failure in terms of its concept of programing to minority audiences. This failed. As a result, they are still sticking with movies and sports, as you saw in their program guide.