

Mr. LINDOW. I don't know whether they could all sustain themselves but maybe they could. Broadcasters have a lot of ingenuity. I see some small radio stations sustaining themselves in areas where I did not think they could possibly exist, but I don't know.

Mr. BROWN. I don't think we know, either. To say that it is a failure and therefore we should not go into it or that it is such a howling success that it is going to completely disrupt the present system of free TV seems to me to be an assumption so broad that I have to have a better rationale for why one or the other is true. I think you will find the true place is right down the middle.

Mr. LINDOW. Once you start this thing snowballing, it does not happen overnight, but the siphoning effect we have been talking about starts to come into play and increases and increases and develops further and further and I think this is what the witness that preceded me tried to point out, as well.

Mr. BROWN. Will the chairman be patient for one more statement?

It seems to me the station in Broken Jaw, Nev., will have to wind up using a combination of pay and commercial television in order to supply the people in Broken Jaw, Nev., full usage of the spectrum that the Government makes available to them.

Up in Torbert's area, in that cabin, he may get it all free or all pay; I don't know. But why could not all stations use a combination of the two systems?

Mr. GOLDBERG. We don't believe that pay TV and free television service could exist side by side because of the siphoning effect. They are both going to be competing for the same kind of programs.

There is only a certain kind of program that appeals to a great many people in the context of their home viewing. One of the greatest problems in broadcasting is that there is not an adequate supply of programs worth broadcasting. That is the problem that the network have each season. They will be competing for the same general type of program to present in the context of the home.

It becomes then a question of who can compete better or who has more revenue with which to compete. We feel that pay TV, given its potential of unlimited penetration nationwide, would dominate the program acquisition races.

Mr. BROWN. You had on channel 18 in Hartford a combination of pay and free TV because that station was only pay TV a few hours a day. This was a controlled experiment in such a way that it loses some of its impact. But, in a market like New York City where you have a wide number of stations available, if all stations were pay and free both, you would have free TV available on some stations some of the time, and pay TV on some stations some of the time. I think you would have a spectrum of selections that would serve the public interest better. I would submit this is something that we have to prove is or is not going to be the case. I don't think it has been well proved. If we can, prove it some better way.

Mr. GOLDBERG. On your example, if you have that situation existing in New York City you would find that this would be true but what you would have is a free system during the day, the off viewing hours, and a pay system in the prime evening time and the 20 or 25 to 50 percent of the people who could afford that service would have the service on pay TV in the evening and the people who could not afford it would be totally deprived of any service in prime time.