

the World Series, professional football, ice hockey, road racing and many others.

Another problem is that paid TV could siphon off the best of these programs and leave only the second rate and highly undesirable programs for free TV. This would have the effect of further reducing the quality of television programs which has been a major concern of the National Grange at its annual sessions for the last several years. All across the country, our Grange members have submitted resolutions to their Subordinate, County, and State Granges, petitioning us to find some way to improve the quality of television programs and to keep some of those programs offensive to morals and decency off the air.

Paid television, like CATV, would be available only in urban markets or in centers of population, and the vast rural areas would be shut off from the benefits of these programs, if any benefits were forthcoming.

In the so-called Hartford Report, which suggested \$65 a year as a fee for paid TV if it did become an acceptable fact in our urban life, then the available resources to the companies would not be measured in hundreds of millions of dollars, but rather in billions. These companies could very well become "the tail which wags the dog." Since they would be in the realm of private enterprise, they would be considerably more difficult to control in terms of the general welfare and the public interest.

As an alternative to paid TV, we would be of the opinion that it would be much cheaper for the American public and probably considerably more beneficial if there were additional allocations of funds at all levels of government for the expansion of the so-called "educational television" with the word "educational" being used in its broadest sense so that the arts, sciences and humanities might all be included.

My observation of some of the educational programs indicates to me that they certainly are more acceptable in terms of our own concepts of morality in our own home and generally in the homes of our Grange people across the country than either what we are getting today in free TV or what we are afraid we would get in paid TV.

However, to conclude with our initial point, our greatest objection is the possibility that the rural areas would be left in the darkness as far as telecasting is concerned, as they were left in the dark without electric lights and many of the other services for many years which were available to urban America.

Even today, we are suffering from deficiencies of education facilities, health and welfare facilities, general planning and many other of the recognized requirements of urban living which are just as vital to American rural development and revitalization as they are to our urban centers. The loss of any kind of quality television to our rural areas would, in our judgment, be a major disaster at a price which our national welfare cannot afford.

We therefore urge this subcommittee to reject this concept of paid TV until there is conclusive evidence that it can be made available to all who wish it rather than solely to our urban citizens simply by reason of geography.

Mr. MACDONALD. The next witness is Mr. Solomon Sagall, president of Teleglobe Pay-TV System of New York.

STATEMENT OF SOLOMON SAGALL, PRESIDENT, TELEGLOBE PAY-TV SYSTEM, INC.

Mr. SAGALL. Mr. Chairman, my name is Solomon Sagall. I am president of Teleglobe Pay-TV System.

Teleglobe is one of the pioneers in the field of pay TV. It has developed systems for use both over the air and over cable. Teleglobe holds approximately 30 granted patents of which nine are in the United States as well as several patent applications.

I had the privilege of testifying before the House committee on January 21, 1958. I would like to incorporate my statement in the record and I will only address myself to a few basic points.

Mr. MACDONALD. Without objection, it is so ordered.