

I am not sure whether you are right or he is right or somebody else is right. If it is not a success and there is no demand for it, then the whole thing will fall of its own weight. I don't think that is the issue that we have to determine—how much he is going to make or what prospect there is for a quick and easy way of making money.

I don't think that is the issue. The issue is whether or not it offers a possibility and a broadening of the opportunity which viewers have to see a selection of programs. I would suggest to you that if pay TV is quite successful that Congress and the FCC ought to permit any station, which wants to, to get into it, any network that wants to get into it, so that competition will ultimately bring down the prices of pay TV to the consumer and also so that they can make a little money to have the opportunity to do public service programing.

Would you agree with that?

Mr. SAGALL. I agree wholeheartedly. I think ultimately after the pay TV pioneers of today, if they are successful, I hope they will be successful in proving that it is a paying proposition, certainly some commercial broadcasters may want to go into pay TV unless they feel that revenues from part-time advertising are more lucrative.

On the other hand, I feel this is a point that can be safely left to the Commission and, of course, to Congress.

I remember when I read economics in London, where I lived before, I heard a famous authority on the British Constitution say: "Parliament is all powerful; it can do everything except turn a man into a woman and a woman into a man."

I think this goes for the Congress as well. Congress is all powerful and 5 or 10 years from now there may be all sorts of different approaches and expansion and so on of the whole broadcasting situation, that will have to be considered.

But the important point is, and that is why I feel we are here today, to see that this young fledgling of pay TV is not suppressed before it is given a chance to prove something. The danger is here that the opponents have combined and they have terrific resources and very powerful lobbyists and they are trying to kill—by the bill of Congressman Dingell—pay TV before it is even given a chance to emerge.

There I see is the great danger for the development of broadcasting in the United States. If I may, I would like only to refer in conclusion—

Mr. MACDONALD. Obviously, that British parliamentarian never heard of Denmark. Perhaps it is not possible in England but in other places it is.

My question specifically is: Do you feel that it will be possible to have two or more pay TV networks?

Mr. SAGALL. Networks? I think, Mr. Chairman, sooner or later there will emerge, I believe, an association of the UHF, largely pay TV operators, which would be the foundation for a fourth network.

I think it could easily arise in the first 5 years of pay TV operation but I don't know that it would immediately lead to a fifth network.

Mr. MACDONALD. If the Congress does permit pay TV to happen don't you think it is almost necessary that there be a network to be successful? You have already talked about how difficult it is for a station to operate in this field.

Would there not have to be a network to be successful? By network I mean interconnection.