

haps be described as a two-level system, the public is not deprived of anything. On the contrary, the public nonpay viewers are able to gain free access to pay programs of the very highest quality and many of which would not otherwise be put on the air because of their cost of production.

Under this two-level system, any owner of a receiver, whether monochrome or color, who is within receiving range of the broadcast station may receive that special program in just as fine a rendition, as far as picture is concerned, as the person who makes the payment. The difference is only that the nonpayer has the picture presented to him in monochrome whereas the subscriber and payer pays money to receive the same program in color. Thus, all TV sets could be tuned into the same programs—but only those having color sets and who could afford to pay would be paying for the advantage of color, if they wish it.

Having thus briefly outlined this proposed two-level pay or subscription television system, I pass to certain other observations which are of importance from the practical standpoint of television broadcasting and receiving techniques. These I have already referred to but I would like to summarize them at this point.

1. Any broadcasting station can be brought within the sphere of the operations already outlined. It is not necessary to provide special broadcasting equipment to enable production of the results and operations which I have described. In other words, the additional equipment necessary in a conventional broadcasting station would be minimal, and the required alterations would be neither extensive nor expensive.

Furthermore, the system is one that does not require the use of any new channels to carry special program signals. The operations already defined require no change in the channel frequencies, no enlargement of the channel width or other interferences with previously established and assigned channels.

Mr. MACDONALD. Mr. Banning, I know you have come a long way to testify before us. We appreciate it. The House is in session. We have one more witness and technically we should not be sitting. Any member of the committee may make a point of order that the House is in session and we can't sit. We have one more witness. We were very hopeful that we could wind up the complete hearing today.

Since you have summarized your testimony, it might be possible for you to insert your entire statement in the record and it will be as if you had gone through it word for word. Actually, I am not sure that we are the right forum or you to be testifying before, because it seems to be a matter of more concern to the FCC than to ourselves. Technically, we are sitting on a bill introduced by Mr. Dingell, of Michigan, to ban pay TV, prohibit pay TV. So, therefore, if you would not mind, if you would insert the rest of your statement which, as I say, you have already summarized, into the record, it would certainly help the committee.

Mr. BANNING. I was going to say that I can summarize in 2 or 3 minutes, if that is what you mean, and then I will be through.

Mr. MACDONALD. All right.

Mr. BANNING. I was just going to read these other two short paragraphs. I appreciate very much the opportunity to explain this.

2. This proposed system does not require any change in the circuitry