gress should decide that pay television is in the people's interest, and if pay television then begins to take hold and to supplant free television, we shall participate in it, if we must, to survive economically. We would have all the facilities, the know-how and the experience for providing entertainment on the television screens in the American home. If we must go into it, we believe we would get our fair share of the multi-billion dollar bonanza which the pay-television promoters portray.

So we do not think that the economic fate of CBS Television hangs in the balance on the issue. But we do believe that the fate of free television as we know it today does hang in the balance. We believe that the major—the only important—stake in the issue is the public's. We believe that if pay television becomes a reality, not we, the networks and the broadcasters, but the people will be the losers.

Since other witnesses have already ably stated the reasons against pay television, I want to review briefly why we have become convinced that the public would most surely be the loser if pay television goes forward and should succeed.

Pay television, by its very nature, must be essentially subtractive rather than additive. It is subtractive because it proposes to use channels now dedicated to free television. Each time a scrambled signal goes over the air, it necessarily blocks out a free signal. Thus ultimately here in Washington, for example, pay television would use Channels 4, 5, 7 and 9—not the unused ones in between because those are occupied in neighboring population centers.

Pay television is also subtractive because of its enormous potential for siphoning programs from free television. It cannot and will not limit itself to "new" programming not now on the air. It must turn to the programs, the people, the talent now making up free television. And with the enormous number of dollars which just a small minority of the audience can bring in, pay television will most certainly be able to take those free porgrams away. It will have to do so if its promoters are to amortize their tremendous initial costs.

But I need not labor the point, for the pay-television promoters have already made it for me. It is they—not we—who have talked about seizing baseball, professional and college football, star talent and plays from free television.

I agree that the World Series might be one of the last programs to go, but what the lawyers for the promoters say to you about the World Series is different from what the promoters say to prospective investors. Telemeter recently said: "The World Series in the future conceivably will be able to gross as much as $25,000,000." (They were talking about pay television.)

The siphoning process has nowhere been summed up more simply than by the only station applicant which has filed with the FCC for a license to go forward with pay television. That applicant has said: "We ask merely for the authority to sell, if we can, something which is now being given away." I cannot say it any better than they have said it.

The consequences of pay television will be a real misfortune for the American people. Viewers will have to pay for what they now receive free. And for the first time, television, now a democratic unifying force, will be divisive. Where now the best in television is available to all Americans, pay television will fence off the best for the carriage trade. One prosperous viewer can pay—and deprive a dozen of his neighbors of the programs they are now enjoying.

The costs to the American people will be enormous. Each family would have to buy or rent a decoder costing between $40 and $85.

On top of that will be the charges for programs. To watch pay television for two-thirds of the number of hours that it now actually watches free television, the average family would have to pay $473 a year. This is seven times what the average family spends annually on shoes; three times what it spends on heating and lighting its home; and, more than it spends on all medical and dental bills, plus all drugs and medicines, plus all cosmetics and shaving suppies, plus all dentifrices.

Even if we take a figure of only $100 a year, which has been suggested by the pay-television promoters as the anticipated average collection per family, that amount is more than three times what the average family now spends for all admission fees put together, and substantially more than it spends for shoes. And for this $100, at an average of 50 cents an hour, the family would get only four hours of viewing a week—which is only a little more than one-tenth of the time it now devotes to free television.

Again, not we, but the pay-television promoters have put this problem of cost to the American family most forcefully. "We can," said an officer of Telemeter, "nickel-and-dime them to death."