ADDRESS
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DR. CLAY T. WHITEHEAD: One of my favorite quotes came just a little over a year ago when one commentator stated that, "Cable television is going to be just the same thing as regular television, only worse. Real television," he stated, "dreary, hackneyed, boring and deathless as it is, is at least run by professionals. All the guys in the cable television companies are the guys who aren't good enough to make it in real television."

He went on to lament that the only things he had seen on his cable set were old British movies, which he had already seen a thousand times before.

This type of comment about cable is not unique. People have made such statements about every new technology or new service that has ever been introduced in the country. Let me read you some of the things that people were saying in the past about a few new-fangled ideas.

Most investors in the 1870's regarded Alexander Graham Bell's telephone invention as an interesting "toy for hobbyists," certainly not a serious long-term investment. One study reported as follows (see if it sounds familiar):

> Bell's proposal to place the telephone in every home and business is, of course, fantastic in view of the capital costs involved in installing endless number of wires.... Obviously, the public cannot be trusted to handle technical communications equipment. Bell expects that subscribers to his service will actually pay for each call made and they will agree to pay a monthly minimum if no calls are made. We feel it is unlikely that any substantial number of people will ever buy such a concept....

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Obstacles of another sort were encountered by Lee De Forest, the inventor of the vacuum tube, which makes radio broadcasting possible. In 1913, De Forest was brought to trial on charges of using the U.S. mails fraudulently to sell stock to the public in his worthless enterprise. The District Attorney charged that De Forest made the absurd and deliberately misleading claim that it would soon be possible to transmit the human voice across the Atlantic. De Forest was acquitted, but advised by the judge to "get a common garden variety of job and stick to it."

Writing in the 1830's on the growth of the new railroad industry, one commentator argued that railroad growth should be curtailed. The reasons:

> Grave, plodding citizens will be flying about like comets. All local attachments will be at an end. It will encourage flightiness of the intellect. Veracious people will turn into the most immeasurable liars.... It will upset all the gravity of the nation.

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The cable industry can expect to hear similar statements made against its development. In fact, the campaign to stop cable has already begun. Statements are being made in the press; arguments are being made to the Government; and the public is being told how cable will end the American way of life. Let's take a closer look at some of these claims and charges against cable.

One is that cable must be stopped because viewers should under no circumstances have to pay (or for that matter, be allowed to pay) for what they watch on a television screen. People can buy paperback books, magazines, and movies, but not television shows. Paying for television is inherently against the natural order of things, and maybe even down-right-un-American.

Never mind that there may be many viewers who would be willing to pay to get programming that advertisers don't find it profitable to support. Never mind that the aged, infirm, and the deaf may benefit immensely from having special-interest programming brought into their homes via cable. And that they would be willing to pay for these benefits.

We all know how closed-circuit movies are catching on in hotels and motels. These critics don't seem to realize that they are creating another immoral purpose for renting a hotel room, namely, to pay to a TV program they can't see in their homes.

Others claim that mass appeal national television programming promotes a shared national experience. It inculcates a unified national vision in our people. Cable's greatly expanded channel capacity would allow people to watch whatever they wanted, thereby fragmenting the audience and destroying this national vision. Cable might even bring low-cost channels devoted to single communities, or school districts, or even neighborhoods. This would turn communities inward, away from national goals, and it must be prevented.

Others charge that cable will violate the individual's right of privacy. A great deal of information on the subscriber's living habits would become available to industry, and government, resulting in "big-brotherism" in its worst form. Never mind the fact that in stopping cable's growth the Government would also be denying individual consumers the right to decide for themselves what they want to see and hear.

Concerns about privacy and security in cable communications are not only legitimate, they are extremely important; but these concerns are not reason enough for the Government to ban cable's development. Certainly it is as possible as it is necessary to achieve a balance in protecting the right of privacy while at the same time allowing customers to buy cable services.

Other complainers charge that cable's two-way educational, library, banking, shopping, and newspaper distribution services would put an end to human interaction. If people could handle their daily transactions via home cable hookup to stores, banks, and libraries, what would become of social contact? There would be an inhuman sense of alienation and individual anonymity (just as books brought about, I suppose).

Moreover, if people could see movies and sports in their homes, won't our theatres and expensive coliseums and sports arenas deteriorate with the rest of our inner cities? Without the bright lighting that is emitted from our arenas, movie and theatre marquees, our inner cities and even suburbs will become even more crime ridden.

Some of these charges are obviously far-fetched, and others are merely self-serving claims advanced by those who stand to lose business by cable's development. Embedded in some of these arguments, however, are elements of fact. We <u>should</u> be concerned over cable's ultimate impact on society.

But before we can determine what cable's impact on society will be, we must know how it is going to develop. And at this point it is too early to tell. We have to have some solid data and, to date, very little is available. It is possible, however, to make a few predictions.

First, cable television <u>is</u> going to come.

It will come with a multiplicity of channels; the majority of our American homes will be wired for cable; and we will have an electronic information distribution system in which cable and related technologies will play a major part.

Regulation at all levels of Government will have to be sorted out, but the biggest point here is that Government should not block cable's growth. No one has done more to that end than Chairman Dean Burch at the FCC. The Commission has done an exceptional job of getting cable moving again. The cable industry and television public owe a great debt to Chairman Burch for removing the regulatory logjam blocking cable's growth.

Many regulatory issues remain, of course, and some important policy issues regarding the regulatory environment for cable must be resolved. The Cabinet committee on cable television has been studying these problems and, hopefully, its recommendations will match the dynamic

character and promise of the cable industry. But uncertainties about policy or regulation should not be an excuse for inaction.

Government can go only so far. Cable, like broadcast TV, is going to have to be a profitable private enterprise activity, so don't wait for Government to tell you what to do. The cable industry is going to have to make the next moves. The industry will have to decide whether to expand the range of programming and services presently available to the viewing public and ultimately take its place as full-fledged member of the communications industry. Or whether, instead, to accept the view of many of cable's detractors and remain simply an ancillary retransmission medium or merely as a purveyor of stale old films.

Let's face it. The viewing public can benefit from the full-scale development of cable systems throughout the country only if it means more and better programming with more choice for the viewer. The potential and capacity of cable to expand programming and the consumer's choice is great indeed. Granted, there will be problems and complications in cable's movement to industrial maturity. But they won't be any more difficult than those encountered by earlier entrepreneurs.

Some of the arguments lodged against the development of the railroads, telephone, and radio industries seem ludicrous to us today. But if you people gathered here measure up to those who went before in other industries, if your main concern is finding out what the public -- the consumer -- wants and needs, then I am sure that generations after us will be similarly amused at some of the exaggerated fears and short-sighted statements that were made against cable in <u>its</u> formative years.