more wire to the development of enriched programming and broader consumer services." Pleading lack of money to provide the kind of services the country wants to see would not only be shortsighted, he suggested, but could lead to the industry's undoing. "For, between the chicken of growth and the egg of service, Congress and the public want to see evidence that the American people will in fact be best served by public policy decisions fostering cable's growth," he explained.

But don't try to sell Congress on an expand now, provide service later line, Senator Kennedy cautioned. Instead, he recommended that the industry show its willingness to provide more services to the public now, with the likely reward of governmental responses that will permit greater and faster cable expansion ultimately.

The occasion for Senator Kennedy's speech was the second of five planned regional legislative conferences sponsored by NCTA.

**Time and Hilton tie pay-TV knot**

Hotel owner and largest holder of Computer Television stock agree to almost $6-million, 40,000-wired-rooms deal

Time Inc. took a giant step into the expanding hotel pay-TV business last week with the announcement of an association with Hilton Hotels Corp.

Time Inc. President James R. Shepley and Hilton President Barron Hilton told a news conference in New York on Wednesday (March 21) that Hilton has concluded a long-term agreement with Computer Television Inc., New York, a Time Inc. affiliate, to install the CTI system in 40,000 Hilton rooms in the U.S. Time Inc. is the largest stockholder in CTI, having about 40% of the shares outstanding.

Under the agreement with Hilton, Time Inc. will make an investment of $2.2 million for the initial installation in 15,000 rooms in 15 hotels. Time Inc. also pledges to wire an additional 25,000 rooms in the Hilton chain within one year. Mr. Hilton said his company plans to invest $3.5 million in the venture, largely for new color-television receivers.

The initial 15 hotels scheduled to be wired within the next few months are the Waldorf-Astoria, New York Hilton, Conrad Hilton (Chicago), Palmer House (Chicago), San Francisco Hilton, Los Angeles Hilton, Washington Hilton, Statler Hilton (Dallas), Denver Hilton, Beverly Hilton (Beverly Hills, Calif.), Hilton Inn (San Francisco), St. Paul Hilton, Portland Hilton, Hilton Inn (Atlanta) and Hilton Inn (New Orleans).

Paul Klein, president of CTI, said that at the outset, three pay channels will be used to transmit films and other programs. He added that the system is adaptable either for one-way communication with guests telephoning their selections, or two-