pulling for them. They are providing a real public service for the American people." He charged that "broadcasters don't want any more competition than they have to have," and argued against restrictions on distant signals. "To limit the number of television stations available to cable systems is to shortchange the American people and perpetuate a broadcast monopoly."

Mr. Turner has used cable as a tool to boost his broadcast station's viewership. "I visited the cable systems. I attended their association meetings and I told them about all the things we were doing with channel 17," he said.

A cablecaster, Glenn Jones, head of Jones Intercable, Englewood, Colo., argued that the FCC's signal importation rules are holding cable down, and for one reason only: "to protect broadcasters'—principally networks'—advertising profits. As a citizen of this country it shames me to continually witness the networks using our scarce and valuable public airwaves to harness us into their perpetual food chain."

Barry Stigers, general manager of Verto Cable TV, Scranton, Pa., complained that the FCC's syndicated exclusivity rule discriminates against cable systems started since 1972, when the rule took effect, in favor of older "grandfathered" systems, many of which carry 12 or more channels without having to give exclusivity protection to local broadcasters. "The 1972 carriage and nonduplication rules have virtually stifled our growth, forcing us to accept a saturation level 20% less than the great bulk of systems in the market, systems serving nearly 50% of all television homes in the market," he said.

Edward Allen, president of Western Communications Inc., a multiple system operator in Walnut Creek, Calif., argued that "the facts just do not support" television's claims of harm from cable. He noted that in 10 years, the TV industry's net revenues have doubled from \$2.25 billion in 1966 to \$4.5 billion anticipated by the end of this year. "With the profit ratio of the industry holding steady (and improving slightly) at about 20% of gross sales level, it would appear that the television industry is a substantially inflation-proof and CATV-proof industry."

A second day of hearings Thursday focused on sports issues, with testimony from Commissioner of Baseball Bowie Kuhn, National Hockey League Vice President Don Ruck and a representative of the National Collegiate Athletic Association.

The primary message of Mr. Kuhn and Mr. Ruck was that the sports interests should have a say in the future development of cable. "You can understand our concern, because it is our rights, our interest and our broadcasts that are being carved up," Mr. Ruck said.

All three sports spokesmen wanted clamps on imported distant signals. Mr. Ruck argued that home game ticket sales are hurt two ways by distant signals, first by the importation of the same game from a city where it is not blacked out, and second by the importation of a more attractive

Receiving end. The earth station that received the signal carrying San Diego cablecaster Donald William's testimony to the House Communications Subcommittee is backed into location outside the Rayburn House Office building. The station is a Satcom-10T 10-foot diameter conical horn trailer-mounted unit provided by Antennas for Communications Inc., Ocala, Fla.

game in another city. Importation of more attractive games on distant signals might also hurt the home team's ability to sell an attractive TV package, he said.

Added Mr. Kuhn, "We fear that unless baseball as a sports entrepreneur is given control over-the distribution of its product, there can ultimately be a serious diminution of sports programing to the American public."

Mr. Kuhn also said that baseball wants to expand into the pay cable market, but that unchecked distant signal importation "can dilute our opportunities" to do so.

The Communications Subcommittee's cable hearings continue this week and the next, beginning Tuesday (July 27) on the subject of pay cable and continuing Wednesday on federal-state regulation, and Thursday on industry structure.

Manhattan Cable shows a profit

Time Inc. operation generates net income for first time

Time Inc. reports that its subsidiary, Manhattan Cable, operated in the black for the first time in its 11-year history in the first half of 1976. It was a "slight profit," according to Thayer Bigelow, president of Manhattan Cable, but still good news considering that the operation has lost nearly \$20 million since 1965.

Mr. Bigelow contributed the gain to several factors: the rise of pay television on the system, subscriber rate increases (now \$10, up from \$6), increased operating efficiency, better equipment, better management, successful marketing and "learning from mistakes." Manhattan Cable's current total subscriber level is 80,000-plus (of which 34,000 take the Home Box Office pay package). The total subscriber figure is expected to level off at around 100,000 in the next five years, said Mr. Bigelow.

Neither company would specify how much the cable firm contributed to Time Inc.'s net income of \$30.7 million (\$3.05 per share) for the first six months—up