to pay money into the box to get it under the regulation that they suggested?

Mr. WRIGHT. Mr. Chairman, if you assume the hypothetical case which you have, that regulation, there is never any change in that regulation, that regulation says static and subscription TV, say, would get started at the end of 1968 and that at some point there—now, I don't know what the price is on baseball as far as television; I think for pro football the networks give about $40 million a year. For a 2-year deal, that would be $80 million at these current prices for the pro football games.

Of course, you cannot assume that these things are static, either. This is $80 million in 1967 when the contract was made. It could be $100 million or $120 million in 1969.

I suppose it is theoretically possible that if subscription got to the point where it just absolutely mushroomed and where we got to where we had from three to six and a half billion dollars of revenue, that we could think in terms of, well, could we offer them a hundred million dollars just to keep their games off television for 2 years and then offer them more than that $100 million or whatever millions they were going to have in years after. I don't think that is likely.

Mr. MACDONALD. Mr. Wright, you were just through saying they were tough competitors, the networks, and that they would like to put you out of business. Don't you think it would get to be a bidding thing between pay TV, which would be a monopoly, in my judgment, which is the second question I want to ask you. Is it not just economically feasible to have just one subscription network?

Mr. WRIGHT. We have always taken the position that we were not urging anybody to just freeze on our system and say that this is the preferred system like they have with the NTS signal and so forth. We have said we are perfectly willing to compete with anybody else in this area. So that, whether there is room in any market now for more than one system in a single market, I don't know. Time would have to tell that.

There is nothing certainly that I know of that would prevent that sort of competition except that I would think that if one operation or service got fairly well established in a market, it would make the second one think hard before he went in, not because there was anything wrong about doing it, but we have also envisioned that there would be this service with these boxes and with this coding thing and it would be available without discrimination to any station in that market who was authorized by the FCC to use it.

Now, they have said in this Fourth Report and Order that they are only going to permit one station in the market to use it. So, under that regulation there would be obviously one station in that market which would be using it. I cannot believe that this rule has any great practical effect because it is going to be very difficult to get enough of the kind of things that people are willing to pay money for and that are real box office things to keep more than one station active.

After all, Hollywood only produces 75 or 100 motion pictures that are really worth much in the course of the year. That is only two a week of new motion pictures. What do you have, a dozen Broadway plays, new ones?

Mr. MACDONALD. That is why I think it is a cliche that everyone talks about the arts and ballet and that sort of thing.