

This is a commercial thing. This is the whole point of what Mr. Preminger was talking about yesterday. If you can get \$2 or \$3 million or several million dollars out of subscribers to pay TV to buy "My Fair Lady" from CBS and outbid the movies, then CBS will sell it, otherwise you might be able to find some sponsor that would buy "My Fair Lady" for a substantial price, put it on free TV but that kills the movie's interest in it, does it not?

Mr. OTTINGER. The situation I cited was somewhat different. It was the Clay-Foley fight that was seen on so-called free TV all over the country but it was blacked out in markets where it was felt more money could be made by selling only to the audience.

Mr. BROWN. I gather it was seen on free TV because some sponsor was willing to pay the price to give it free, to make it a vehicle for their sponsored product, a price higher than anybody else was willing to pay for it through the theaters, or withheld for some other purpose.

Mr. MACDONALD. To wrap this up, I think Mr. Brotzman yesterday, and who couldn't be here for the reasons he expressed earlier, because of the meeting of his party, asked about the success of other experiments, not just your own.

I interrupted him at that time. He was asking Mr. Dingell who was a member of our full committee. I thought Mr. Dingell did not have the information and I thought perhaps you would since your company has very adventurously put this amount of money into this particular experiment.

Do you have any knowledge of how the other experiments succeeded?

Mr. WRIGHT. I really don't have any inside knowledge, anything other than what I have read in the trade press and have heard about these operations, at Bartlesville, in Etobicoke in Canada and, I believe, on the west coast.

Mr. Pierson tells me that Telemeter made a complete statement of this on what Etobicoke thing showed and these other things which were filed with the Commission. We will be glad to supply it to you and it will give it to you in some detail.

(The document referred to follows:)

EXCERPTS FROM STATEMENT OF INTERNATIONAL TELEMETER CORP. IN SUPPORT OF RULEMAKING PETITION FOR AUTHORIZATION OF NATIONWIDE SUBSCRIPTION TELEVISION, FILED WITH THE FCC IN DOCKET No. 11279, MAY 25, 1965, SETTING FORTH FACTS CONCERNING THE ETOBICOKE (CANADA) EXPERIMENT

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By achieving the technical capability of simultaneously transmitting multiple programs through a single channel of the conventional television receiver, Telemeter was able to add a new dimension to the techniques of closed-circuit transmission, thus opening unlimited opportunities for catering to the varied tastes of subscribers to a THEATRE IN THE HOME service.

Furthermore, developments in airlink transmission experiments had kept pace with the closed-circuit research and a single-channel broadcast-type Telemeter unit was achieved embodying patentable innovations for the security of uncoded transmission. These, too, conform with the standards of good engineering practice prescribed by the Commission.

As a result, Telemeter moved in both directions. To ascertain the validity of successful laboratory experiments in its airlink system, Telemeter applied to the Federal Communications Commission for an experimental station first in the VHF and later in the UHF band in order to test its broadcast system in Los Angeles, California. These applications were granted in 1961 (KM2XMR, Channel 5) and 1962 (KM2XOG, Channel 83), respectively.