

on film to the public, and is analogous to the transmitting equipment of a broadcast. The theatre owner picks his programs and determines the timing and duration of their exhibition and their pricing, incidentally, on the basis of his knowledge of his market.

38. In the early days of motion pictures, exhibitors would not go to the expense of building theatres because there was no entertainment available to be shown in them. Therefore, in order to get the industry under way, a natural identity developed between producers, distributors, and exhibitors. This identity was an absolute necessity if the industry was to come into existence.

39. At this stage in the development of subscription television, no company (which is truly independent) is going to invest in decoders if it does not control broadcast facilities, and if it is not able to assure itself that it will be able to make its own efforts to obtain programming by every means physically available. The infant motion picture industry had a programming problem which was actually simpler than the infant subscription television industry. The problem of the motion picture industry was that entertainment was not available. The problem of the infant subscription television industry is that even where entertainment is available, it has been withheld, so that it is naive to assume that a subscription television operator, at this stage, can sit in his office and expect purveyors of entertainment of top quality to come to him.

40. Furthermore, in view of the obvious and manifest hostility of existing media toward subscription television, it is equally naive to suppose that commercial broadcasters in significant numbers will approach a detached subscription television operator—without his own broadcast facilities—for the privilege of showing an occasional subscription television program. *If subscription television is to develop, it is Telemeter's considered judgment that it will have to be started by those in full control of every aspect of the subscription television business with no, or exceedingly few, limitations upon their ability to solve the multifarious problems which experience has shown they cannot avoid.*

41. It is within this framework that we shall comment upon the specific questions raised by the Commission in its Notice.