maintainers, and programmers will have to be one and the same in the initial stages of this industry. Moreover, it is probable, at the outset, that exclusive franchise arrangements will be necessary to induce investment by the subscription television pioneer. Under these circumstances, the only way for there to be competition is for the government to authorize as many systems as meet general standards of good practice. Dual standards in other fields have been successful. Indeed, in the automotive field, Buick, Oldsmobile and Pontiac, all made by General Motors, compete with one another while, in the detergent field, soap manufacturers successfully market commonly-owned competing products.

54. Furthermore, from the point of view of the development of the subscription television technology, the effect of picking one standard at this time will be to stifle invention and eliminate competition.[1] There is much room for improvement in the "hardware" of subscription television as well as in system methods. If a single standard is adopted, the incentive for further improvement will be lessened. If more than one technical system is permitted, inventive ingenuity, in the American tradition, will "build a better mouse trap" under free competition—all to the benefit of the consumer and the viewing public. Finally, because the adoption of a single standard would eliminate competition, it would prematurely necessitate a plethora of rate regulations, patent license regulations, and similar burdens all of which would tend to stifle an as yet non-existent industry.

(6) Should a Party Manufacturing or Selling Equipment, or a Holder of a Subscription Television Franchise in More Than One Market, Be Permitted To Engage in the Procurement and Supply of Programs to Television Stations for Subscription Use?

55. As we have indicated above, if the subscription television operator cannot engage in programming activities himself, the chances for initial success of subscription television will be seriously reduced. Those in the normal channels of distribution of entertainment have obvious motives for not dealing with the subscription television entrepreneur as the experience in Hartford has clearly shown (where the threat of lawsuits was required to obtain certain programming). The subscription television operator should, therefore, be free to develop and procure programming from whatever source available. But Telemeter agrees with the Commission in its proposed rule that,

---

[1] The Zenith equipment of four years ago and the Telemeter equipment of five years ago have been improved. It is only logical to expect that further technological improvements will occur in succeeding years.