STATEMENT BY SENATOR STROM THURMOND (D-SC) FOR TELEVISION STATION
WBTV, CHARLOTTE, NORTH CAROLINA, JANUARY 29, 1953.

I am glad to have this opportunity to give some of my thinking on the subject of pay television, because this is a matter that is much understood.

Many of our citizens do not understand how a system of pay television can force our present system of free television off the air.

I am sure that all of you have read something about the way a toll television system would work.

It means, first of all, that every person interested in bringing pay-TV programs into his home would have to have a decoding device attached to his television set. The cost of this device would run from $45 to $100. Some pay-TV promoters plan to rent the decoders, for two or three dollars a month, instead of selling them. Either way, there is an initial cost to the viewer before he sees any pay-TV programs at all.

In addition, there is a charge for each program the viewer decides to look at. The program comes over a regular television channel, but it is scrambled... completely garbled... unless the viewer pays the admission price. It might be fifty cents for a first-run movie, or perhaps a dollar for a baseball game.

Now this is where a good many people are misled, because, up to this point, pay-TV sounds like a good idea. Let those who prefer to watch special programs pay the extra price, many people say, while the rest of us watch the free show.
There is one big fly in the ointment. That scrambled show is coming in over a regular TV channel. Some free show is being blacked out, and cannot be seen at all.

At this point, let me say just a word about some elementary television economics. Your television station does not put the same price tag on every hour of time, because some hours are more valuable than others. Generally speaking, most advertisers would rather sponsor programs during the evening hours, between 7:30 and 10 o’clock because this is when the TV audience is the largest. For this reason, evening time is most valuable, and the television station gets the largest proportionate share of its revenue from selling this preferred time.

Some of this revenue helps pay the station’s cost of doing business during the daylight hours, and late at night. Some pays for unsponsored news and public service broadcasts.

Toll television will be limited to special programs of great audience appeal, and these programs will come on during the evening hours. Toll television offers nothing to you during the day or late at night -- it aims only to take the choice viewing hours away from the network.

This is one of the reasons why pay-TV and free-TV cannot exist side by side. Pay television will surely force free television, as we know it, out of business.

The Federal Communications Commission proposes to authorize a trial for pay television in several cities. Because of the high initial cost I mentioned earlier, I am convinced that it is going to be very difficult to have pay-TV as a temporary thing.
Once the viewer has paid for his decoding device, he will want to use it until it wears out.

As a member of the Senate Interstate and Foreign Commerce Committee, I have introduced, with the co-sponsorship of five other committee members, a Senate Resolution aimed at delaying this so-called trial until Congress can fully investigate the merits of the proposal. I am afraid the ultimate result of experiments in toll television will be the substitution of expensive TV for free TV without any additional benefits to the public.

I thank you.

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