# On the Eve of Disaster

(An after-dinner address to The Royal Television Society, Grosvenor House, May 1991)

We are gathered here tonight to extend our profound fellow-feeling, understanding and sympathy to all those unopposed incumbent franchise holders who bid fifty million pounds when they could have bid fourpence. Shareholders will be receiving a colour brochure explaining what happened. A very thin brochure.

In the brochure it will be explained that there wasanother bid but it didn’t arrive in time. For example, Border TV wasgoing to be challenged by a consortium from Paraguay headed by Martin Bormann and Lord Lucan, with a very attractive ethnic strand contributed by the participation of Pol Pot and Idi Amin as advisers on minority groups. Government sources were especially excited by this bid because of the commitment from its treasurer, Ronald Biggs, to cut overheads by hitting excess cameramen from behind with a tyre iron. But in the last-minute dash to get the bid in on time, Saddam Hussein crashed the tank.

I fantasise, of course. All the contenders are serious and most of them will pass the quality threshold; after which the prize will go to the highest bidder, and shouldgo to the highest bidder, for having had a cool enough head to figure out how simple it all was. All he had to do was guess which programmes would attract an audience, guess what they would cost to make, and subtract that amount from his guess about how much advertising revenue there would be if the government which first had this bright idea continued on its inexorable path to economic triumph, and then add something extra based on his guess about how much higher a figure the other guys might guess if their guess was based on even less information than his. After that there was nothing left for an applicant to decide except whether to put the six-hundred-page application together with staples to prove he was cost-conscious or bind it in solid gold to prove he had adequate funds.

After thatit was in the lap of the gods — or to put it another way, in the hands of the ITC, who from now until November will be weighing one application against another, which should be as good a method of deciding as any. In ancient Rome they used to slay an animal and examine its entrails. It was called the Franchise Round Haruspication and Cicero got very excited about it in his letters to Atticus. Classical scholars among you will probably remember the letter to Atticus in which Cicero complained that his consortium had bid too much for the Rome Breakfast TV Franchise against the incumbent, SPQR-AM.

Cicero wrote: ‘I should never have gone in with Frostius and Bransonius. Those guys can blow a few billion sesterces and never feel the squeeze. But I, Cicero, have bet my toga.’ They lost, of course. Mark Antony and Augustus kept the franchise, although they fell out subsequently over an Egyptian female presenter with a lot of eye make-up.

But for all the independent producers, and I know many of you are here tonight, there can be no doubt that the government’s original determination to release a new wave of creative energy has been magnificently realised. The way things were, independent producers had to please a commissioning editor before they could get a programme on the air. Now they will have to please a commissioning editor who will have to please his programme controller who will have to please a central scheduler. A lot of creative energy is going to go intothatprocess. There’s going to be a whole new level of alertness and imagination in the independent production sector. Remember when you took your idea for a documentary feature on horse breeding in Berkshire to Channel 4 and found yourself pitching it to a commissioning editor who turned out to be an eighteen-year-old ex-song-plugger wearing an earring in his nose? Now you can rewrite your documentary as a drama series, call it The Darling Studs of Bray,and pitch it to the programme controller of the Parmalat Bosch Maxwell Berlusconi Consortium that takes over the combined South Eastern Flatlands franchise after the Pye, Sky and Ski Yoghurt Conglomerate sells out to Mitsubishi Maharishi. He promises you a prime-time slot if you agree to defer your fee until the second series because he can’t afford to pay you for the first owing to the current restructuring of the finance package, the nice way of saying that his outfit still owns a piece of BSkyB and can’t afford to let go because without the money that they mightmake from that they don’t possess even the notional assets to borrow enough to service the debt on the money they borrowed to pay for the copying machine.

Having secured your agreement, the programme controller of Parmalat Bosch Maxwell Berlusconi Lorimar Loseley Acacia Honey & Stem Ginger Holdings — there’s been another restructuring during the weekend — joins the long queue to see the central scheduler, after he’s finished being fitted for his new Napoleon uniform, the one with the solid gold epaulettes. But the central scheduler doesn’t schedule the first series of your series in prime-time on the network. It runs at 2 o’clock in the morning on Grampian after the sheep-dog trials retrospective with Gaelic subtitles for the deaf: Congratulations, you won’t have all the nagging problems of making a second series. In addition, you have the privilege of finding out the real meaning of that pulse-quickening expression ‘green field site’. A green field site is what you and your secretary are left sitting in after the bailiffs have taken away your filing cabinets. She can make you a cup of tea. They’ve allowed her to keep the mug, and you’re it.

Let me be serious for a moment, and say that things could have been a whole lot worse. The quality threshold will probably be raised high enough to trip up the cowboys, unless their horses can jump. By a last-minute, desperately late rearguard action the responsible officials have been given a warrant to do their traditionally British thing, and act in the public interest. The government’s original idea — by which I mean the originalgovernment’s original idea, the Thatcher government’s original, mischief-making, unfathomably ignorant idea — has been modified in the direction of civic responsibility. There are not many of its one-time proponents who now say that it has been diluted. On this topic there are very few free-market purists left. They are harder to find than communists in Budapest. But they were there once; and I think it remains important to point out what was wrong with the purist argument, which is that it was pure folly, and not just politically, but economically. The idea that Britain’s broadcasting system — for all its drawbacks one of the country’s greatest institutions — was bound to be improved by being subjected to the conditions of a free market: there was no difficulty in recognising that notion as politically illiterate. But for some reason people didhave difficulty in realising that it was economically illiterate too. A television programme is not a commodity. It might become one, but it begins as a labour of love. In television, to make money you must first make things, and the things you make, unlike hardware, software or any other kind of ware, are things of the spirit. If the free play of market forces reaches the point where it subverts the free play of invention, there may be a brief flurry at the pig trough, but whatever happens next goes down the drain.

It was touching that one of Mrs Thatcher’s supporters in her attitude to television was my compatriot Rupert Murdoch, who made an historic personal appearance in order to castigate the mandarins of the British television system for putting themselves above the people by dictating what they should be given, instead of giving them what they wanted. Leave aside for the moment the consideration that it is Mr Murdoch who is putting himself above the people by giving them, in his tabloid newspapers, what he wouldn’t give his own children without a health warning. The salient point here was that a representative of Australian commercial television was in no position to lecture the representatives of the British television system about the free play of market forces, which have subsequently reduced the entire Australian commercial television structure to a smoking ruin.

The Australian equivalent of the BBC, the ABC, though as always criminally under-funded, is still being watched by a public grateful to get some refuge from what commercial television has become, which is something even worse than what it was. The money-making geniuses, the free marketeers, Mr Bond and Mr Skase and Mr Whoever-he-was, are broke, or dead, or seeing more of their families. Mr Grundy is still doing very well because Mr Grundy makes programmes about Australia that people in other parts of the world actively enjoy watching, a proposition he is able to test personally, since he lives in the Bahamas, where he doesn’t have to watch Australian commercial television.

Those of you here tonight who represent incumbent franchise holders and who feel that you might perhaps have bid a little low against a plausible opponent, incidentally, might take comfort from the example set in Australia by Mr Kerry Packer. Mr Packer owned TCN Channel 9, the most profitable of the Australian TV companies and often admired for its sophistication, there being, to the quick eye, detectable slivers of actual programmes in between the commercial breaks. Mr Bond, an ex-Englishman hailed by the Australian press as a dinkum Aussie financial genius because of his flair for mounting a leveraged buy-out against the beer froth of rival brewers, offered Mr Packer a thousand million dollars for his TV station. Mr Packer, who had always operated on the assumption that there is one born every minute, but who had never before seen one the size of Mr Bond, said: ‘Look, I love my TV station but if anyone else is going to own it, I think it should be you.’

Mr Bond then proceeded to demonstrate that a TV station, for a man with the right set of characteristics, is an unbeatable mechanism for accumulating debt, into which he sank at such a rate that Sotheby’s in London had to lend him money with which to buy their pictures so that he could cover up the cracks on the walls of his lovely home. By that time the Australian press were not calling him a dinkum Aussie financial genius any longer. They were calling him a Pom. Mr Packer was able to buy back his beloved TV station for less than a hundred million dollars, putting him more than nine hundred million dollars ahead on the deal. The incumbent had come back.

Behind the almost instantaneous Australian disaster in television lies the more gradual American one. While American PBS remains equipped with little else but a begging bowl, the networks, which the almost unbroken commercial breaks have always rendered unwatchable to the intelligent viewer, have been steadily losing their audience to the cable channels. The resulting multiplicity of sameness is called ‘choice’ by free market theorists who have never spent a lonely evening with a remote control unit desperately searching in fifty different directions for a way through the swamp. Niche marketing has reached its apotheosis. Up-market consumers watching up-market programmes are reached by advertising for up-market products. Down-market consumers watching down-market programmes are reached by advertising for down-market products. Or you can opt out, at a price. To Mrs Thatcher’s inner circle it sounded like a dream: just the way the National Health Service would be if it were run properly.

Bedazzled by elementary notions about the supposed benefits of deregulation in America, the Thatcher government’s target was public service broadcasting. The BBC and ITV were thought of, correctly, as a single institution insufficiently responsible to 10 Downing Street. Mrs Thatcher thought the same way about the Houses of Parliament. When it was generally realised that she felt the same way about her own Cabinet, she was deposed. The current government is more civilised, but when the time comes it will try to rattle the BBC as ITV has been rattled. Nor is there any reason to believe that a Labour government would have any other attitude. I hope it will be remembered next time, as I think it was remembered this time — although it was a near-run thing — that the BBC and ITV may be rivals but each would be diminished without the other, and that a drain on the creative resources of either is a wound to both.

There is a Japanese parable about two friendly rivals, Mr Kobayashi and Mr Hashimoto. They are out walking in the forest when they suddenly come face to face with a snorting example of the dreaded high-speed giant wart-hog that eats human reproductive organs, the Nakahaka. The Nakahaka bares its two rows of teeth, flexes its over-developed hind quarters, and vibrates its stubby bristled tail, a sure sign that it is about to attack. Mr Kobayashi kneels down and starts putting on a pair of running shoes. Mr Hashimoto says ‘Don’t be a fool, Kobayashi. Nobody can outrun the Nakahaka.’ Mr Kobayashi replies: ‘I don’t have to outrun the Nakahaka. I only have to outrun you.’

Those of you who have read Made inJapan, the excellent book by Mr Morita of Sony, will recognise that story, which he told with Japan and the USA in mind. Morita-san was trying to point out that the economies of the USA and Japan are bound together. In a similar way the two halves of the British broadcasting duopoly are bound together; in a fruitful way; and fruitful not just for the people who work in them. There are other nations where it is easier to get rich in television. But Britain is the place where television helps to enrich the nation. Television is one of Britain’s best things; an institution, in a country whose institutions are its gifts to the world; and I know you all feel the same way, even at the height of the fuss, in the very flurry of the farce which has been imposed on us. But dignity has been maintained, as it always will be as long as the public is kept in mind and our own membership of it is not forgotten.