

DAILYMAVERICK

Life and times of Rupert the Media Conqueror



It would be easy to get swept up in the all-engulfing flood waters unleashed on Planet Murdoch by the ignominious collapse of the News of the World, but, even at 80, Rupert Murdoch is a tough old customer whose empire will likely survive the current turmoil - and emerge, albeit in a very different visage. By J BROOKS SPECTOR.

To consider the protean phenomenon of Rupert Murdoch, one needs to enter the territory of psychological portraits, such as Freud and Thomas Bullitt's famous psychoanalysis of US president Woodrow Wilson – or the way police psychologists suss out criminal motives without meeting the perp on “Law and Order”.

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Perhaps it should be using the Icarus archetype to explain Murdoch's hubris and ambition. Perhaps we can surmise that Rupert Murdoch has been eager to prove he was a bolder adventurer with grander visions than his more cautious father, Keith. In the case of the mythic Greek, despite paternal warnings, Icarus flew upwards until he came too close to the Sun. His beeswax and feather wings disintegrated from the heat, and he plummeted to his death in the Aegean. Of course, even at four-score years of age, Rupert Murdoch remains very much alive - and his wings are not yet dripping globules of molten wax and feathers – but something is disintegrating nonetheless.

After audaciously building an international media conglomerate that outclassed his father's prosperous, but unspectacular regional Australian newspaper chain, the strength and power of Rupert Murdoch's business empire may now be melting away. The death of News of the World and the resignations (and arrests) of top aides and editors may just be the beginning of the unravelling Murdoch's empire. Maybe the model isn't Icarus, but Milton's Satan – he's certainly the most interesting (albeit evil) character in “Paradise Lost” – according to Murdoch biographer Michael Wolff.

Jack Shafer, reviewing Wolff's book for Slate wrote when the book came out that: “Wolff, who writes about media, politics, and power for Vanity Fair, cultivates a cynical and dark image for himself, so Murdoch made a logical bet when he wagered that their shared blackheartedness would produce a flattering biography. But Murdoch bet wrong.

“Oh, Wolff applauds the entrepreneurial daring that created a global media conglomerate out of an Adelaide daily. He relishes Murdoch's rejection of cultural and business norms and his

cold-blooded cunning....By accepting Murdoch on his own terms, Wolff tilts his focus toward the sympathetic, but it's the sort of sympathy John Milton rewards Satan with in 'Paradise Lost'. Murdoch, like Satan, is simply the most interesting character in the larger story and therefore the most deserving of our understanding."

Murdoch's media empire has continued to grow [at least in 2008], unlike those founded by Ted Turner and Conrad Black, Wolff writes, because Murdoch is unburdened by their human need to be liked.

Or perhaps we can look for other examples of Rupert Murdoch's spectacular rise – and even his more astonishing, ongoing fall from influence – in other literary and filmic models. A Murdoch fashioned in this way would certainly draw on the characteristics of Evelyn Waugh's Lord Copper, the imperious editor of "The Daily Beast" in "Scoop"; or perhaps the scheming Canadian parvenu, Rex Mottram, who oozes his way into Lord Marchmain's family in Waugh's "Brideshead Revisited". Or maybe the models must be Jay Gatsby and Augustus Melmotte in showing how an outsider gains proximity with (and awkward embarrassing knowledge about) the rich, famous and powerful in prohibition-era New York or Victorian London. But surely the most obvious roadmap must be Charles Foster Kane. Orson Welles clearly understood perfectly the psyche of a media mogul grasping for influence.

If Welles' character hadn't been modelled so obviously on William Randolph Hearst, Murdoch would have been the perfect inspiration instead, if only he had been born half a century earlier. No doubt some Murdoch biographer will spend time trying to find out if Murdoch had a DVD of the film in his entertainment centre in his private study – and just how often he watched it for business tips.

If Citizen Kane passed away uttering that enigmatic word, "Rosebud", when Murdoch finally passes from among us, someone standing next to him may well lean in to hear if he spits out "Redhead!" in recognition of former "News of the World" editor, Rebekah Brooks's most visible physical feature. Brooks's paper's hacking into phone messages and other electronic information for a dubious scoop or two has, of course, been the proximate cause of Murdoch's current unpleasantnesses – and the recent distressed closure of some of his papers.



Photo: Rupert Murdoch arrives with his wife Wendi at the 82nd Academy Awards in Hollywood, March 7, 2010. REUTERS/Lucas Jackson

Where did it all begin? Tracing the arc of Murdoch's trajectory back to the beginning takes us to his start with a small newspaper in Adelaide, Australia - before he expanded his attention, his grasp and his intentions onto East Asia, America, Europe and the UK. Throughout his 60-year career, however, perhaps his most audacious move – or at least the one that has paid off best in political heft – was his 1986 creation of Fox Broadcasting. Through this new television network, and the associated news channel delivered by cable or satellite with its news and commentary that offers its trademarked blend of invective and factoids, Murdoch's brainchild has overshadowed rivals CNN and MSNBC even as – according to its many critics – it has dramatically coarsened the level of America's public political discourse.

Clearly Murdoch's grasp has reached beyond print as he has made major investments in the film industry, in early social media operations like MySpace and with satellite television such as the Hong Kong-based Star TV, in addition to Fox. Beyond his investment strategy, as part of his sui generis business model, he has also tried to buy his way into British, Australian and American respectability by taking over internationally accepted flagship brands like The Times in Britain or The Wall Street Journal in the US.

Along the way Murdoch became one of Time magazine's top 100 most influential people three times, he has been on the Forbes list of the world's most powerful people, most recently weighing in at number 13 and – just incidentally - is among the richest people on the planet, with a recent valuation of his net worth at more than \$6 billion for 117th place. Of course, these rankings came before the current hacking scandal broke and so it will be anybody's guess where he'll end up by 2012 – or how many other people will be laid low by all this by the time it is finally over.

And just last evening, according to The New York Times and other online reports, resignations have now reached beyond Murdoch's own companies and into the UK's top police leadership. The New York Times said: "The head of Britain's Scotland Yard, Paul Stephenson, resigned on Sunday over accusations about the police's handling of phone hacking investigations. In a statement, Mr. Stephenson said he had no knowledge of the extent of phone hacking at The News of the World newspaper, which was owned by News International, part of Rupert Murdoch's News Corporation.

"British police have faced criticism over claims that it did not do enough to investigate reports of phone hacking by the media. His resignation came a few hours after police arrested Rebekah Brooks, the former chief of Rupert Murdoch's media operations in Britain."

John Dean's advice during the Watergate scandal nearly 40 years ago still holds some weight here: It's not the crime but the cover-up that matters most.

Rupert Murdoch was born in 1931, the son of Sir Keith and Elisabeth Murdoch. Murdoch senior ran a regional newspaper chain based out of Melbourne and this family influence clearly guided young Rupert to aim for that high ground, right from childhood. But unlike Charles Foster Kane or Jay Gatsby, Murdoch had a privileged upbringing. There were elite Australian private schools and then Oxford for young Rupert (well, okay, the fictional Gatsby briefly went to Oxford too after World War I, but that was really just an accident of time while waiting to be demobilised from the army).

When Murdoch's father passed away in 1952, Rupert came back from Oxford to run the store and he quickly guided the family media chain on a path of acquisitions and expansion, taking over the Perth-based Sunday Times, then adding suburban and regional newspapers across the country. By 1964, Murdoch's ambitions had begun to reach beyond Australia, when he bettered three other bidders for a Wellington, New Zealand, paper while on vacation there with a group of friends on a lark. Here, perhaps, beginneth the first phase of Murdoch's international legend – and his business model: Go hard, go with your gut and move in unexpected ways. Fast.

Reaching for respectability – and political influence – Murdoch also launched Australia's first countrywide newspaper, The Australian. The stretch into respectability thus became another key element in the Murdoch method. Eight years later he bought Sydney's The Daily Telegraph and used it and his other holdings to bring his influence to bear on an Australian election when Labour's Gough Whitlam became prime minister. Murdoch's life and ambitions began to resemble that opening faux newsreel in "Citizen Kane" where the US map virtually erupts with Kane's media holdings, transmitting his influence across an entire nation.

Even before buying The Daily Telegraph, Kane, err, Murdoch, had made his first forays into Britain, purchasing News of the World and The Sun, turning them into wild, rampaging tabloids, but innovatively lowering costs by using the same presses to print both papers – and, in the process, reach sales of three million copies a day. Following his path into respectability in Britain as well, Murdoch then purchased The Times and Sunday Times from an owner weary of owning prestige, but losing money.

Shucking his Labour-style roots, Murdoch switched to support Margaret Thatcher, but later threw in with Tony Blair and then switched to line up behind David Cameron. Before he tacked rightward yet again, Gordon Brown said he and Murdoch had been "in regular communication [and that]there is nothing unusual in the prime minister talking to Rupert

Murdoch". Should have had that long spoon, Gordon.

Along the way, Murdoch also had his battles with the unions when he installed up-to-date electronic production processes for his media holdings. In the UK, in particular, he faced down the wrath of the printing unions, although there have always been rumours Murdoch got a tonne of help in 1986 from the Thatcher government in bringing in the police to squelch those protests.

Murdoch has also tried to build a political web in the US, hosting fundraisers for politicians like Hillary Clinton in her race for the US Senate. Then he backed Barack Obama in the New York Democratic presidential primary, saying of him, "Yeah. He is a rock star. It's fantastic. I love what he is saying about education. I don't think he will win Florida, but he will win in Ohio and the election. I am anxious to meet him. I want to see if he will walk the talk." This is the same man who hedged his bets a bit, giving a million dollars to the Republican Governors Association, another million to the generally Republican-leaning US Chamber of Commerce and even serving on the board of the libertarian Cato Institute.

Not everything has worked out right for him, however. Murdoch's early entry into satellite TV – Sky Television – proved to be unprofitable and he eventually had to push for a merger with his competitor, the British Satellite Broadcasting outfit. The resulting company, BskyB, has been the heavyweight in UK pay-TV ever since. Interestingly, Murdoch's recent effort to purchase the share he didn't own in BskyB, all 61% of it (and, most recently, an equally rash decision to abandon that effort) has been one of his recent difficulties – at least until the electronic hacking scandal overwhelmed everything else.

Ultimately Australia, New Zealand and the UK were insufficient canvases for Murdoch's growing ambitions. Key that "Citizen Kane" newsreel within the movie snippet yet again. Following his now standard model, in entering the US market, he first purchased the San Antonio Express-News in Texas, founded the icky supermarket tabloid The Star, and then, three years later, purchased the mass-market tabloid, The New York Post.

But Murdoch obviously felt print wasn't the wave of the future. To meet requirements ownership of TV stations must be held by American citizens, he became a naturalized citizen in 1985, so he could buy a group of local TV stations from the Metromedia chain. Well, stations are one thing, but content is quite another, so out came the old Murdoch cheque book to purchase the venerable movie studio, 20th Century Fox. Put them together and you have the origin of Fox network he created the year after he became a US citizen.

While Murdoch has sometimes been challenged by financial constraints to divest some holdings to cover the costs of other investments, or by regulatory scrutiny, he has continued to expand his company relentlessly. In an effort to influence the American political landscape, he funded the establishment of The Weekly Standard, a publication that is the standard-bearer for much conservative, Republican, neo-con, and right-wing political thought in America over the past decade under editors like William Kristol.



Photo: News Corporation chief Rupert Murdoch (R) speaks at a press conference in New York January 30 1995, where it was announced that cable-TV figure Roger Ailes (L) would head the new Fox 24-hour news network. Murdoch said he would spend \$80 million a year on the project which will compete with CNN and similar networks planned by ABC and NBC

Fifteen years ago, Murdoch took the plunge with 24-hour news programming in the American cable news market, challenging CNN among others, with his Fox News Channel. In recent years especially, Fox has beaten CNN handily in virtually every news slot, no doubt irritating the life out of CNN founder Ted Turner, as well as virtually every Democratic politician in America who has felt its lash. Along the way, Fox News has even built a studio in Sarah Palin's Alaskan home so she doesn't have to come to the office for her televised screeds. Slate's Jack Shafer adds that while Murdoch's formula didn't work so well for him in the US print environment, it was been a different story in TV. As Shafer says: "Murdoch's tabloid news formula of 'mischief and sanctimony' didn't work its commercial miracle in the United States until he started programming entertainments like 'Married ... With Children' on his Fox network in the late 1980s and broadcasting it on his Fox News Channel, which started in 1996. The secret of Murdoch's strength is his lack of shame."

Along the way, he has made a few misjudgements. The purchase of MySpace for more than half a billion dollars in 2005 was ultimately a clunker – he sold it off recently for \$35 million as it has been overwhelmed by newer social networking efforts like Facebook. On the other hand, four years ago he happened to pick up The Wall Street Journal and the rest of Dow Jones empire for \$5 billion, with the goal of turning it into a viable competitor to The New York Times for national leadership, as a more conservatively orientated paper of record.

Meanwhile, in East Asia, Murdoch's apparently limitless ambitions have included the acquisition of Star TV, the Hong Kong-based company that was supposed to offer Murdoch entry to the biggest market of all – China's 1.3 billion people, plus the rest of East Asia. This one, too, has not been without difficulties as the Chinese government has, so far, precluded it from being made available legally to most of China, making Star TV a product that has not yet come close to reaching its potential. But Murdoch did acquire his third wife, Yale MBA-educated Wendi Deng, while he was completing the acquisition of Star TV. Murdoch intimates deny Deng was the "marriage-wrecking vamp" of competitor rumour, but they do agree that Deng reads Murdoch's email for him since he eschews using it for his communications. Well, heck, the guy is 80 after all.

Murdoch's buccaneering style has also resulted in numerous challenges over anti-competitive business practices, such as a tussle with Italian Prime Minister Silvio Berlusconi's television interests. Ultimately, an Italian judge ruled the Prime Minister's media arm, Mediaset, had prevented News Corp's Italian unit, Sky Italia, from buying advertisements on its television networks. But, struggles with people like Berlusconi aside, the Murdoch style of cosyng up to politicians and tying media muscle to political trends has made him a real live look-alike for

Waugh's fictional "Daily Beast" editor Lord Copper. For years his style has worked really well in Australia, the UK and the US in generating influence and proximity to power.

In Britain he built strong ties with Conservative Party leader David Cameron. But just a few weeks ago it emerged that Murdoch had strongly encouraged Cameron to hire Andy Coulson - the ex-editor of Murdoch's News of the World - as Conservative Party communication director four years earlier, despite the fact that Coulson had resigned as editor over phone hacking by one of his reporters. Coulson has now resigned, and he was arrested and questioned on allegations of additional criminal activity at the now-closed paper.

Paradoxically, then, it is this very intertwined closeness and chumminess that is what has now laid low the man and his company in Britain – and may well beat him up in the US as well if there are congressional hearings, indictments, law suits and death-by-a-thousand-cuts from the actions of the justice system.

British journalism professor and columnist Roy Greenslade comments that Murdoch: "Had the ear of presidents and prime ministers on three continents. He pulled political strings in Britain, the US and Australia. He was a modern Citizen Kane, but with a key difference - he remained rational. Unlike the Orson Welles movie character who struggled to retain his marbles, Murdoch did not retire from the fray to dwell in a darkened mansion. Within no more than nine days, Murdoch's work of almost five decades has been destroyed. He is political poison now in Britain, and he may well find his influence in America and Australia undone as well. The fallout from the phone hacking scandal has been like watching a car crash in very slow motion."

This being Rupert Murdoch, of course, there are contrary views. Peter Catapano, writing in The New York Times has argued

Murdoch is the quintessential anti-establishment figure, a visionary risk taker whose goal has been to create markets not merely to make money (though he certainly has made a great deal of it). Though liberals despise his Fox News Channel, he rightly understood that the liberal monopoly of the mainstream media left a vacuum on the right that the public demanded be filled with content. Like Cohen, I'd bet on Murdoch not only to survive this crisis, but sooner or later to come out far ahead. Now that would be news.

But, at 80, under siege on at least two fronts, Murdoch has suddenly become very vulnerable. The photographs now show a man who finally looks his age. His closest aides, editors and associates are being picked off, one by one. He will find his defeats are more frequent and the victories fewer and less lasting. His company will continue, certainly, but it will eventually lose that distinctive slash-and-burn, cosy-up-to-the-powerful, but take-no-prisoners-in-business style that has served him so well, for so long. **DM**

For more, read:

- Rupert Murdoch in [Wikipedia](#);
- Reunderstanding Rupert Murdoch: Michael Wolff's new biography accepts the mogul on his own sordid terms in [Slate](#);
- Michael Wolff Takes Questions About Rupert Murdoch Bio in [The Washington Post](#);
- Rupert Murdoch: Times Topic in [The New York Times](#);
- 2 Top Deputies Resign as Crisis Isolates Murdoch in [The New York Times](#);
- Dangers mount for Murdoch as he faces Citizen Kane moment in the [Evening Standard](#);
- Phone hacking scandal casts light on Murdoch's political role around the globe in [The Washington Post](#);
- 2 Top Deputies Resign as Crisis Isolates Murdoch in [The New York Times](#);
- The Journal Becomes Fox-ified (Joe Nocera column) in [The New York Times](#);
- How to lose friends and alienate people - News Corporation looks likely to weather the News of the World scandal. But it may end up becalmed — and lose some crew to boot in [The Economist](#);
- Day of Reckoning in [The New York Times](#);
- A Day of Apologies for the Murdochs, and of New Questions for Cameron in [The New York Times](#);

Main photo: News Corporation Chairman and CEO Rupert Murdoch listens to morning discussion session during the Wall Street Journal CEO Council on "Rebuilding Global

Prosperity" in Washington, November 17, 2009. REUTERS/Hyungwon Kang

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