



## A Closer Look at the New Owners of the Boston Globe and Washington Post

By: Randy Hall - August 8, 2013

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Late last week, the Globe was sold by its owner, the New York Times Company, for \$70 million in cash to investor and big-time Democratic donor John W. Henry. A few days later, the Graham family -- which owned the Washington Post since saving it from bankruptcy in 1933 -- sold the ailing newspaper to Jeff Bezos, chief executive officer of Amazon.com, Inc., sometimes described as a "libertarian" who has donated money predominantly but not exclusively to Democrats. The value of newspapers has been steadily falling for many years, even before Rupert Murdoch paid \$5.2 billion for the Wall Street Journal's parent company, Dow Jones & Co., six years ago.

Prior to selling it to Henry, the Times had purchased the Globe company in 1993 for \$1.1 billion. Adjusted for inflation, the New England Media Group operation was sold for just under 4 percent of the original sale price. The all-cash deal did not include an assumption of the company's pension debts of about \$110 million, which will remain with the Times Company.

According to published reports, a few other people were interested in purchasing the Globe, including ex-Time Inc. CEO Jack Griffin, in partnership with cousins Steven and Ben Taylor, whose family once owned the newspaper.

Another person who tried to buy the newspaper was John Lynch, owner of the U-T San Diego (formerly the San Diego Union Tribune), who claimed that his company outbid Henry and would have gone even higher if he had to.

"I'm just stunned," he said. "I thought this was a public company that had a fiduciary duty to get the most by its stockholders."

One of the deciding factors in the decision to sell to the owner of the Boston Red Sox baseball team may be the fact that Henry is a long-time Democratic donor and activist. According to his donation records, he has given more than \$1.1 million to Democratic candidates and special interest groups while a single \$1,000 contribution went to a lone Republican. Lynch, meanwhile, is an outspoken conservative, one of the few media moguls who lean right outside of talk radio.

"The sale to John W. Henry is the result of a very full and active sales process," New York Times spokeswoman Abbe Serphos said.

"In reviewing bids, we took many factors into consideration and at the end of the process concluded, along with our board of directors, that this agreement to sell the New England Media

Group to Mr. Henry was in the best interest of our shareholders as well as of the Boston Globe, the Worcester Telegram & Gazette and the Boston community."

Back in Washington, Post publisher Katharine Weymouth, niece of chairman Don Graham, explained that seven years of declining sales, triggered by an industry-wide advertising slump, ultimately pushed the family to sell.

"This is a day that my family and I never expected to come," she said in a letter to readers. "The Washington Post Co. is selling the newspaper it has owned and nurtured for eight decades." Meanwhile, Bezos's political philosophy has been under the microscope. According to an article by Jennifer Harper in the Washington Times, his personal donations have favored Democrats -- \$28,000 to \$5,000 for Republicans -- since 1998.

However, his overall political record leaves the new owner of the Washington Post "a bit of an enigma -- a liberal-leaning libertarian with a touch of free market philosophy," Harper stated. She added:

*The Atlantic magazine has called him a "libertarian," a term coined in 2006 by the Cato Institute for those seeking social freedoms, retooled economic policies and tax reform.*

To allay any fears the Post staff may have due to his complex political background, Bezos released this statement:

*I understand the critical role the Post plays in Washington, D.C., and our nation, and the Post's values will not change. Our duty to readers will continue to be the heart of the Post, and I am very optimistic about the future.*

In an article on the Post's website, Sean Sullivan discussed the politics of his new boss.

First, Bezos donated \$2.5 million to the campaign to defend same-sex marriage in Washington state, where he and wife MacKenzie live.

Even though he has been described as a libertarian, Bezos has mostly donated to Democratic candidates, including the state's two Democratic senators, Patty Murray and Maria Cantwell. He's also given money over the years to Rep. John Conyers (D-Mich.) and Sen. Patrick Leahy, (D-Vt.), both of whom have served on either the House or Senate judiciary committees, which often address Internet-related issues that might interest the owner of Amazon.com. As NewsBusters previously reported, it's much more difficult for a conservative to buy a major newspaper than a counterpart on the political left.

For example, when billionaire conservative philanthropists David Koch and Charles Koch expressed interest in buying the company that owns the Los Angeles Times and the Chicago Tribune, liberals across the country went apoplectic.

If there's a moral to this sad story, it's this: Ten years ago, the Washington Post was worth \$2 billion. On Monday, it sold for \$250 million, an 87 percent loss. Could having a conservative presence in the newspaper have resulted in an outcome any worse than that?