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Nobody is going to call this ne

This week in London publisher Rupert Murdoch, named by *Business Review Weekly* as Australia's richest man, spoke to *The Age's* business editor, TERRY McCRANN, in an exclusive interview.

DO you see yourself still as a newspaper publisher or a multi-national businessman that happens to be in the newspaper business?

Answer: Oh. A newspaper publisher absolutely. Nothing else.

Q: So that is still your life's ambition?

A: Oh yes, absolutely. Well, let's put it this way. A newsmen and a publisher. That doesn't preclude what are natural developments: the books, the television.

Q: And satellite.

A: That's just like buying a printing press.

Q: A very expensive one.

A: We may not buy one yet. We announced that we were delaying our whole American thing at least 18 months. I believe that some time in the future, this century probably, we are going to see satellite as the form of distribution of mass entertainment. And, to start with, also distribution of selective and special news services, maybe even for mass news. All that you see on television now, the primary carrier of it will be satellites.

In the US the difference is that you have it: the great cable industry which will organise itself for the purposes of defence.

At the moment there is a very interesting move which is being led by the pay-cable services like Home Box Office to go arm-in-arm with the local cable operators; to embrace the satellite distribution system simply as an extension of cable.

Q: You still regard the print media as having a role in the twenty-first century?

A: Absolutely.

Q: Both ends, the popular and the serious?

A: Yep, absolutely, yep. I don't see any reason to doubt that. Your primary information will still be the printed word. I don't doubt for a minute that the television news as we know it today will be as big as ever. But in terms of reading anything in detail, that is going to come from your newspaper.

Now it is possible - I think it is very unlikely - that the newspaper might not be printed on the existing

printing press, that it will come out of the bottom of your TV set.

One of our motivations for getting into television is not to pioneer that or get it going, but certainly to be sure we are ready for it if anybody else does it.

Q: How do you explain the success of *The London Sun* - at the entertainment end of the print spectrum - in the decade when TV entertainment was expanding?

A: I don't accept that. *The Sun* is in the information business. If there is any important issue or any big news, it is covered there as well as anywhere. When there is not much news around, it certainly sets out to entertain you. In fact, it should be able to handle the big news such that you are entertained by it.

It could be easy to say that television is so elitist in England: that people in England are so deprived of choice on television it was therefore much easier to develop a popular newspaper than anywhere else.

I think it has been different in New York. We have a market and an audience which is very upscale from our opposition.

I think we had to go after *The Daily News* because there was no room for a second *New York Times*. And we have managed to hold that middle ground at the same time as producing a much brighter and better newspaper than *The Daily News*, which had simply grown dull. The problem with American journalism is that they simply don't know how to compete. They all go to journalism school and listen to failed editors dressed up as professors. And they go out into the world, to 90 or 95 per cent of the newspaper jobs where indeed they don't compete. There is no competition.

Q: You have probably contributed a few ex-editors to that educational process.

A: No. Just one editor. In fact with *The New York Post* we've had it for seven years and they've had one editor for the past six.

Q: Why is that a different story to your papers in Australia?

A: It's not different. Where have we had a change of editors there?

Q: You have had a much higher

rate of turnover on *The Australian*, for instance.

A: No we haven't. No we haven't. Oh yes, we have had a turnover on *The Australian*, which is a very hard paper to edit. But outside *The Australian* it is absolutely not true at all.

Q: You react strongly to that.

A: No I don't. It is just a lie, that's all. It's not true. You know, at some point you have to stand up for yourself and tell the truth. And that is not the truth.

Q: With *The Times* you accept poor profitability because of its status.

A: All newspapers are run to make profits. Full stop. I don't run anything for respectability. The moment I do I hope someone will come and fire me and get me out of the place - because that's not what newspapers are meant to be about.

Q: Rather than run, own.

A: I only work for a company. We don't own anything for respectability. We own things, we do things because we believe in them and because, ultimately, we expect to make money out of them.

In five years, *The Times* will most probably be the most valuable asset that News Corporation has.

Q: So you didn't buy *The Times* to win acceptance in London?

A: Not at all. It's got to earn its way like the rest.

Q: Why then?

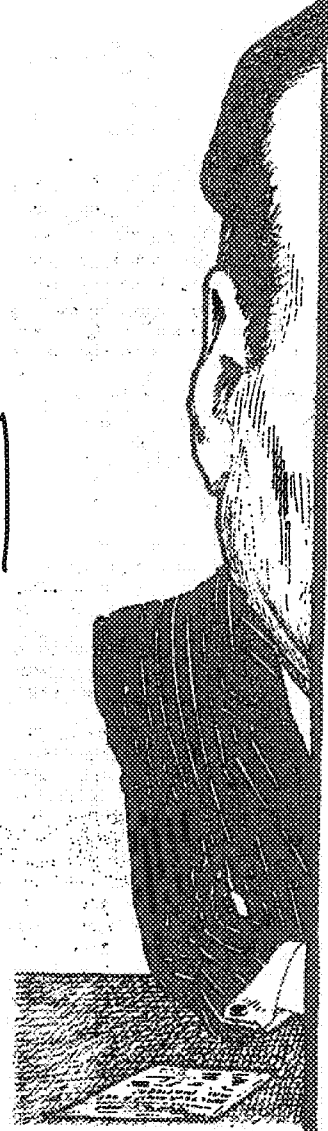
A: Because it's going to earn its way and it was a great opportunity.

Q: Four years ago you told me you would have to be mad to buy *The Times*.

A: I don't tell you everything. Well I hadn't thought about it. People think I work to some great 10-year plan, or life-time plan. I don't. We look at opportunities as they come along.

Q: This raises the issue of the relationship between the editor and the publisher.

A: (Laughter) The editor has to produce a product and lead a staff - a very sensitive job - and which is going to find a public. It is up to the editor to produce a commercial product. One of qual-



ity, one that is appreciated. In brief, one that will find an audience, that is either significant enough or large enough to produce an economic base to run a newspaper on. And that is the job of the editor.

And it is the job of the proprietor to find the right editor.

I have never had an editor -

THE ENIGMATIC MR BOWIE



Newspaper proprietor a dummy



and I say never advisedly — who hasn't expected to, or wanted to, discuss his product with me as chief executive of the company.

Q: But does that editor have total editorial freedom in the colloquial meaning of the phrase?

A: I don't know what you mean. Do you mean do I expect to tell an editor in San Antonio, for example, that he ought to support X for Governor? No I don't.

What I think you've got to do with editors, if there is any rationality and with all the senior people, is to see as much as you can and try to establish the common value. The rest follows from that.

I have never had any dispute or argument — disagreement — with my editor at all about things of a major political matter — elections. Of course, I see one ex-editor going around saying that I banged the bible and wanted him to support monetarism. He wouldn't have known how to spell monetarism.

He went out for personal behaviour and absolutely nothing else. And ... there was revolt by the staff. And, you know, it was just disaster. It was my fault. I chose him.

Q: Well Harold Evans could spell monetarism.

A: Harry said something. I'm not going to talk about Harry.

Q: Why are you reluctant to?

A: Ah because he would like to draw me into an argument. He could sell more copies of his book, I guess.

Q: No desire to set the record straight?

A: We've issued a statement denying three of the most important lies in the book.

Harry used to come in to my office and say: (Murdoch gesticulated and made a series of hurried half-finished meaningless sentences) — "You've done this what can

we do ... you don't know ... what are we ..."

And, uh. Then he'd go downstairs and say ... Oh. And then he'd say: "You must come here more often. It's wonderful to have you here." And then he'd go downstairs and say (Murdoch held his head in his hands) "My god, the pressure I'm under. You don't know."

He wanted to be loved by everybody. But he ended up being loved by nobody.

When he appealed to the staff for support, out of 300 people there he didn't get four people to put their hands up.

Q: But obviously in 1981 when you put him in the chair you thought he was the man for the job.

A: Oh yeah. I make mistakes. I make mistakes. You know, the real test is that the paper has gone up to 30 per cent in circulation since he left. Well, 28 per cent. It didn't go up at all while he was here.

Q: Did you regard him as a good editor on *The Sunday Times*?

A: Oh ... oh ... There's no doubt that some years ago he'd been a very good editor of *The Sunday Times*. Very good. And he obviously contributed a lot to that. But, it's a case of horses for courses, I suppose.

Q: What do you think about Australia's future?

A: I think about Australia a lot, of course. Are you talking economically, politically, or what?

Q: Both.

A: It's such a derivative country. That's all part of the history ... we are searching for a history all the time.

It's not the size of the country, but the distance from the northern hemisphere — from America and Europe — which I think gives people a very considerable inferiority complex. It's not a bad thing. It helps motivate us, I think, to want to show the world that we can do things. Whether it is winning yacht races ...

Other times it shows up in a pathetic way. Old Australian friends of mine when they are in Europe are always saying: "What do they think of us?"

I have to explain to them that they don't think of us. We are not important. But, I think, have we had an opportunity to make a really worthwhile society in Australia: and have we blown it?

(Pause.) I don't think we've blown it ... we certainly haven't made that society yet ... we've not made in Australia a society of unique quality. It's not a bad one, it's a pretty good one. It's still a good place to live.

Q: What about the bureaucratic, specialistic streak?

A: It's deep in the business community, like it is here. And I'm fighting it here, whether I'm complaining about the monopolistic mentality of business in this country. The easy price-fixing arrangements that go on.

Or whether it be the general and working-class attitude that it is right to rely totally on the welfare state. Or whether it is simply — my favourite small hobby horse in *The Times* — complaining to the editor about the obituary columns ... because they never notice anyone who's ever got his hands dirty and built a company, a business — or made anything in this country. It is always an aging colonial service official, or a well-known cate or bishop or something, or a actor that gets noticed.

Q: And usually ex-Oxford or Cambridge.

A: Oh yeah, that helps. The sort of gentrification of Britain that has taken place has got to be broken. And I think it is being broken.

Q: Credit to Margaret Thatcher for these changes in Britain?

A: She's had a tremendous impact on this country. Made a lot of mistakes and she's changed the political map. You only have to look at what the unions are doing. They are going along ...

Q: Are you equally impressed by President Reagan?

A: Yes I think he has ... well he has done two things — obviously with terrible difficulty and there are a lot of unresolved conflicts. But he has slowed, I wouldn't want to say more than slowed, greatly slowed the march of the Washington bureaucracy.

And he is doing something — maybe too late — about the spread of communism in Central America, which is perhaps the greatest geopolitical issue in the world today. If you were to get — never mind about Russian bases, Cuban bases, take my word for it they are there — if you get strong Marxist regimes dependent upon Moscow or Havana on the mainland, you are going to have the US having to come out of Europe. That's the real threat.

Q: That view is not shared in England.

A: Certainly not shared by Mrs Thatcher ... she's gone out of her mind. I don't know what she's about. I just think she's very overtired. I know it sounds silly, but I think it is a very human thing. She's desperately overtired ... she's run out of puff. She's not listening to any of her friends ... so I'm told.

And to be beating up on Reagan about Argentina is just childish. America has got to get friendly with Argentina. It has a democratically elected Government. This is the moment the US must move. It's a radical Government, it's a reformist Government. It's just the sort of Government the US should be giving help to in South America.

Q: And the previous and present Prime Ministers of Australia?

A: I would think you've got to put

Fraser down as a man that was a big disappointment. In the end, nobody knew what he stood for, except staying in power.

And now the poor chap is miserable. And he is running around the world with other ex-heads of government telling present ones how to do their job. And so one's listening.

And Bob Hawke has obviously had a brilliant start. But it would be ridiculous to make any judgment yet.

Q: In 1972 you thought that business could work with a Labor Government.

A: Yes. And I thought then we had had 23 years of Tory government — none of which I'd liked except for the brief time that John Gorton was going to be the great leader. We did need someone that could give expression to our sense of nationalism in Australia. And I felt that above most things.

But will Hawke's program work? Far too early to judge. I saw the unions with Harold Wilson and Jim Callaghan on exactly this. When it suited them they tore it up, spat in their face, destroyed them and threw them out of office.

I will be surprised if the same thing doesn't happen. It will not be the business community that brings down Bob Hawke. And I hope it takes a very long time because the Liberal Party is certainly not fit to govern Australia today.

Q: On a philosophical note, do you accept that there is something special about newspapers which says the owner has to be once-removed from the product?

A: No, I don't believe that. That's nonsense. If the product's going wrong, it starts to lose money, and more money. And in the end, the owner goes bust and has to close it down. All the people on the staff, the whole community, will say what a dummy that owner was. Didn't know how to run a business.

If the owner steps in — says we've got to make it different — there seems to be some myth going round among journalists that the owner is therefore a bad fellow. That he shouldn't have interfered in the editorial.

No. The buck stops with the owner. Whether the presses break down, whether there are libels in the paper, or anything else.

Q: Taking it a step further. Why shouldn't you, as owner, decide the editorial policy of *The Times*?

A: Why shouldn't I? Because I agreed not to when we came in ... because Lord Thomson had agreed not to. We inherited ...

Q: Let's make it easier. Set that aside. Why shouldn't you decide the editorial policy, for instance, of *The Australian*?

A: Why shouldn't I?

Q: As the owner.

A: Ah, for the very good reason ... Look, if I was the personal owner of *The Australian* and nothing else, the answer is I would and I should.

As the head of a company which runs a dozen or so newspapers, it is simply not possible to make detailed judgments about policy. You just don't know enough about the issues. And therefore you have to trust others a great deal. But you do expect them to stay within certain guiding principles.

Q: That isn't really answering the question.

A: You said why shouldn't I. I'm saying there isn't any reason why I shouldn't other than it's impractical.

Q: You don't buy the argument about the need in the media for a demigod as editor who will be all pure while the owner won't be all pure.

A: No. I think that's a load of nonsense. Some of the greatest editors in the history of journalism have been owners as well as editors. C.P. Scott. In his time, I suppose, the influence he has on it, David Syme.

Part 2 continued on Monday.