

# [***How Rupert Murdoch Outfoxed American Media***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:697H-17Y1-DXVP-500D-00000-00&context=1516831)

Forbes.com

September 22, 2023 Friday

Copyright 2023 Forbes LLC All Rights Reserved

**Length:** 2081 words

**Byline:** Rob LaFranco, Forbes Staff

**Highlight:** As the 92-year-old billionaire steps down as chairman of his empire, a look back at how he changed the landscape of newspapers, TV, movies and ***politics*** and the coming fight over, yes, succession.

**Body**

**As the 92-year-old billionaire steps down as chairman of his empire, a look back at how he changed the landscape of newspapers, TV, movies and *politics* and the coming fight over, yes, succession.**

**By Rob LaFranco, Forbes Staff**

I can think of more important things than being loved by everybody, then- 58-year-old Rupert Murdoch told**Forbes**of his approach to business in 1989. And in the three decades that preceded it and the three that followed he lived up to that ethos with unflinching ferocity.

Now 92, Murdoch announced this week thathe is stepping down from the mediaempire he began building from a lone Australian newspaper he inherited at 21 and that his 52-year-old son Lachlan would inherit the Fox media throne. Lachlan inherits a legacy built on powerful global brands including Fox News, Sky Television,**The Wall Street Journal**, the**Times**of London and the**New York Post** bought, swapped or sold during a swashbuckling 70 years of global dealmaking.

In 2019, Murdoch downsized some of those prized media assets by selling off his entertainment properties, including 20th Century Fox (rebranded for the new century) to the Walt Disney Co. in 2019 for $71.3 billion. The move may have shrunk his kingdom but it didn t lower the volume.

The past few years have been filled with Fox scandals the company has been in the news as much as it has set the conservative agenda**for**news. Following the 2016 resignation of Roger Ailes, the firebrand architect of Fox News, the Murdoch empire endured the loss of some of its marquee talent, including Bill O Reilly in 2017 and the ouster of Tucker Carlson earlier this year after Fox settled a defamation suit with Dominion Voting Systems for a staggering $787 million.

The big question for Lachlan now is like a funhouse mirror of the saga on**Succession**, which was partially based on the Murdoch family. Will his closest siblings 55-year-old Elisabeth Murdoch and 50-year-old James fight him for control of the empire or force him to sell? The Murdochs hold shares in the two main parts of the empire, Fox Corporation and News Corp. worth a combined $5 billion, part ofa fortune .

Wealth of that magnitude was hardly guaranteed, given Rupert Murdoch s propensity for dealmaking and his voracious appetite for acquisitions. Sure, it could be argued that we re caught up in too many new operations, Murdoch told**Forbes**in 1998. Sometimes you have to pay a high price for opportunities.

At the time, he was struggling to turn StarTV, a satellite venture in India, into a win, having paid a high price for an asset that was also being chased by his main rivals at the time, Disney and Time Warner, reportedly without ever having examined the books. A decade earlier, when he paid $3 billion to buy**TV Guide**,**Daily Racing Form**,**Seventeen**and other magazines, Murdoch learned a harsh lesson about operating dying media properties.

**The Rupert Factor**

**A brief history of Murdoch s career.**

1952 At 21, takes control of Australian newspaper The News, after his father dies.

1973 Enters U.S. media market with purchase of two newspapers: the San Antonio Express and San Antonio News.

1974 Founds tabloid magazine Star.

1976 Buys the New York Post for $30 million.

1979 Forms News Corporation in Australia.

1981 Buys the Times of London for $28 million.

1985 Purchases 20th Century Fox from oilman Marvin Davis for $600 million

1986 Launches Fox Broadcasting Company after buying Metromedia for more than $2 billion.

1987 Buys U.S. publishing house Harper & Row for $300 million.

1996 Launches Fox News.

1998 Buys the Los Angeles Dodgers for $311 million, the most ever paid for a sports franchise at the time; Fox Entertainment Group goes public this same year.

2004 Sells the Dodgers for $430 million; Moves News Corp. from Australia to the U.S.

2005 Purchases Intermix Media, owner of MySpace.com, for $580 million.

2007 Buys Dow Jones, the Wall Street Journal publisher, for $5.6 billion

2013 News Corporation splits assets into News Corp. (newspaper and book publishing) and 21st Century Fox (film and TV).

2017 Sells most of 21st Century Fox to Disney for $52.4 billion in stock.

2023 Fox News settles Dominion s lawsuit for $787.5 million.

September 2023 Steps down as chairman of Fox and News Corp.

While the acquisitions gave Murdoch a bigger megaphone amplifying the loudest of all, Fox News, his conservative counterpart to Ted Turner s CNN, which launched in 1996 the deal forced him to spend countless hours on the phone with bankers who were demanding he deleverage, which he did by unloading his magazine division and retreating from his newspapers in New York and Chicago.

<figure>

<figcaption>

Read All Over: By 1985, Rupert Murdoch's global newspaper empire could fill a newsstand.

Roger Ressmeyer/Corbis/VCG/Getty Images

</figcaption></figure>

It was hallmark Murdoch, whose constant dealmaking drove the company across multiple media lanes. He purchased the**New York Post**twice, once in 1976 and again in 1993, having been force to sell it because his empire violated federal rules about cross-ownership of newspapers and TV stations in the same U.S. market.

When he spoke to**Forbes**in 1988 about his pursuit of Pearson, owner of Reuters news and information service, Murdoch laid out his vision for a business data juggernaut distributing critical information electronically to the global financial industry. It was a precursor to his 2007 purchase of Dow Jones, which operates the**Wall StreetJournal**,**Barron s**MarketWatch and other financial news services. And in many ways, Murdoch s strategy also served a blueprint for an even more valuable idea that Michael Bloomberg, the former Salomon Brothers partner who later became mayor of New York City, turned into the core of Bloomberg, LP, now valued by**Forbes**at more than $100 billion.

While Murdoch was struggling to manage his global collection of print properties, his success in television gave him greater influence than he had ever enjoyed before. In 1985, the year he became a U.S. citizen in part to allow him ownership of regulated broadcast assets in the country Murdoch landed on theForbes 400list of the richest Americans for the first time with $300 million. He wasted no time climbing through the ranks.

In 1986, against all odds, the diehard newspaper mogul rewrote the rules of the TV industry when he launched America s first successful broadcast network in nearly 40 years, on a bet that the creative and advertising communities would embrace a new home for content. Our entire staff adds up to the networks research departments, Barry Diller, the veteran TV executive Murdoch hired to run Fox Broadcasting, told**Forbes**in a 1987 interview. We only need one-third as much audience. The bet paid off, making Fox home to some of the industry s most watched programs then and now, including**The Simpsons,Ally McBeal**and**X-Files**. A year later, Murdoch ranked No. 118 on the Forbes 400 with $2.1 billion.

**Rupert s Riches**

**The media mogul's wealth has grown nearly sixtyfold since his debut on the Forbes 400 list of the richest Americans in 1985.**

The rise of Murdoch s broadcast empire grew in tandem with a sister business, the 20th Century Fox movie studio, which was a poor fifth in the movie business when he bought it in 1993. Just four years later, when James Cameron sank the**Titanic** again, it became the biggest movie of all time.

His passion for media and his success at turning those properties into riches, was rooted in his identity as a newspaper man. As the 1990s dotcom boom was approaching its peak, Murdoch readily admitted that he took his advice on new technology from James, the youngest of the three News Corp. heirs, a sentiment echoed by Lachlan, who called his younger brother the smart one. Murdoch s early foray was a disaster: He purchased the social media company MySpace in 2005 for almost $600 million, only to sell it a few years later for less than $50 million.

Despite the successful turnaround he had with the 20th Century Fox film and TV businesses, Murdoch s empire proved no match against the powerful forces of Apple, Netflix and Amazon once those technology giants figured out how to compete against and beat Hollywood at its own game.

<figure>

<figcaption>

Fox Friends: Murdoch with the two architects of his TV empire Barry Diller, who launched the Fox broadcast network and Roger Ailes, the Svengali of Fox News.

getty images (2)

</figcaption></figure>

But in the arena of old media, Murdoch found solid footing when he focused on the news business. Fox News became Murdoch s biggest and most influential platform, built on a ruthless, hands-on management style, a reflection of a leader whose heart was in print and whose company headquarters were wherever Rupert was during the day. He managed by selective execution, letting his managers loose on his strategy and tormenting them with his grim reaper repercussions if they failed.

In the 1998**Forbes**profile, his children parroted their father s bravado, without shying away from the scuttlebutt. Clearly there will be a first among equals, Elisabeth Murdoch told the magazine. But my brothers and I are really joined at the hip. That may actually make it easier for us to do what our dad does. We can turn on a dime and we have a will to win.

James Murdoch also asserted his primacy in the Fox News division. Information is the most valuable commodity in the world today, and this business is about giving people access to information, he said, explaining why, after an early independent start to his career, he was returning to the family business. I can t think of a more fun place to work.

After running British Sky Broadcasting in the 1990s, Elisabeth left the company in 2000 after it became clear that she was not her father s chosen successor. James Murdoch exited News Corp. in 2020, soon after his father sold the entertainment holdings to Disney.

For Lachlan, any talk of selling could only be a precursor to more buying: If this company were to be broken up it would not be long before a good executive would start branching out all over again, Lachlan told**Forbes**, from his News Corp. office in Sydney.

<figure>

<figcaption>

Eldest Boy: Lachlan Murdoch is his father's chosen successor but may still have to battle his siblings for control of the empire.

Evan Agostini/Invision/Getty Images

</figcaption></figure>

No one s indispensable, Rupert Murdoch said just a few weeks later in 1998, during a chat about the media business, with Lachlan and a**Forbes**reporter, in his office on the 20th Century Fox backlot. But who takes over doesn t really matter at the moment. I m not going anywhere.

Now that he is finally stepping down 25 years later, Lachlan faces a new set of threats to the empire. While Lachlan has his father as a wise consigliere for now, the same drive and control could never be expected in any real-life Murdoch succession story. It s hard to be driven by hunger when you are born into a banquet. None of the three heirs has their father s passion, ***politics*** or bloodlust for world domination.

With a distaste for former President Donald Trump reportedly shared by all three Murdochs who have a chance at controlling things and the Fox network s past embrace of his MAGA movement the network could do the once thinkable and shift away from right-wing ***politics*** or be sold altogether when their father is no longer alive.

I think [Fox News] will cease to exist in its present form, Michael Wolff, the longtime Murdoch chronicler and author the forthcoming book**The Fall: The End of Fox News and the Murdoch Dynasty**,told this week. I think it will go into a radical transition in which, either James Murdoch will take over and change it into something else, or they will sell it. Fox has existed in its present state just for one reason: It s controlled by Rupert Murdoch.

And may well still be for now. In his farewell letter to his staff, Murdoch showed no signs that his fire or drive have diminished: In my new role, I can guarantee you that I will be involved every day in the contest of ideas. Our companies are communities, and I will be an active member of our community, he wrote. I will be watching our broadcasts with a critical eye, reading our newspapers and websites and books with much interest, and reaching out to you with thoughts, ideas, and advice. When I visit your countries and companies, you can expect to see me in the office late on a Friday afternoon.

**With additional reporting by Giacomo Tognini and Simone Melvin**

**MORE FROM FORBES**

**Load-Date:** September 25, 2023

**End of Document**