

Rupert Murdoch takes over Wall Street Journal

By Jerry White
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The takeover of Dow Jones & Company by Rupert Murdoch's News Corporation was finalized late Tuesday evening. The \$5 billion deal will add the *Wall Street Journal* and other assets to Murdoch's worldwide media empire and lead to a further concentration of the media in the hands of a few super-rich individuals and vast conglomerates.

News Corporation, which is valued at \$28 billion, already controls over 100 newspapers worldwide, including the *Times* of London, the *Australian*, the *New York Post* and the *Chicago Sun-Times*. It also owns the Fox television network in the US and Sky News in the UK and dozens of other media companies, ranging from film and home entertainment to satellite broadcasting, magazine and book publishing and the Internet, where it recently bought the social networking web site MySpace.

Several other media giants also made bids for Dow Jones, including General Electric Co. (owner of NBC and Universal Pictures), which attempted to form a group with Microsoft, IAC/InterActiveCorp's Barry Diller and Pearson PLC, owner of the *Financial Times*.

Murdoch, who is ranked 32nd in *Forbes* magazine's list of the richest 400 Americans, with a net worth of \$7.7 billion, made the highest bid at \$60 a share—or 67 percent higher than Dow Jones's share price of \$36 when the offer became public.

The offer was enough to overcome opposition from certain members of the Bancroft family—which has controlled Dow Jones since 1902 and holds 64 percent of the shareholders' vote—who had complained Murdoch's brand of sensationalism would damage the newspaper's credibility.

Key family members, spurred by Dow Jones's board and financial advisers, decided to go for the deal, with the final sweetener apparently being an agreement by

Murdoch to pay the \$40 million the family had incurred in legal and banking expenses during its four-month effort to block the takeover. Merrill Lynch, known as an early supporter of the deal, was paid more than \$18 million by Murdoch, raising questions about the impartiality of the financial services firm's advice from the beginning.

The takeover bid occurs in the wake of the recent sale of the Knight Ridder newspaper publishing chain and while the Tribune Company's sale is pending. The newspaper industry has been hard hit by falling readership and the growth of the Internet, which has opened up alternative means of accessing information. The shift in advertising dollars to the Web, particularly by technology companies and Wall Street firms, has severely hurt financial publications such as the *Wall Street Journal*.

According to industry analysts, Murdoch intends to lure readers and advertisers from the *Journal's* chief competitors—the *New York Times* and the *Financial Times*—by undercutting them on the price of advertising as well as broadening the newspaper's domestic and international news coverage. According to an article in the *New York Times*, “Mr. Murdoch's vision for Dow Jones would establish the *Journal* as the rival to The Times in setting the daily news agenda of the country.”

Moreover, analysts say, Murdoch wants to use the resources and name recognition of the *Journal* to become the leading source of business news in print, on the Web and on cable and satellite broadcasting. This would fit into his plans to challenge the domination of Bloomberg Television and CNBC with the launching of News Corp's Fox Business Network, set for this October.

Murdoch has long been known for gutter journalism and right-wing politics, with which his Fox News

Channel has become synonymous. However, it would be difficult to claim that his takeover of the *Journal* will lead to a shift to the right by the newspaper's editorial pages, which is well known for giving voice to the most right-wing elements in the Republican Party. The newspaper's editorials have long advocated unrestrained free market policies and militarism, while supporting military dictatorships allied with the US and the trampling of democratic rights.

As part of the deal, Murdoch has apparently pledged not to interfere with the paper's editorial decisions, although he is notorious for doing just that at the newspapers he owns.

While its editorials and op-ed pieces have relentlessly spouted the views of the ultra-right, the *Journal's* news pages have had a reputation for quality, certainly by American standards, often providing sensitive reporting about social problems in the US and internationally. Some of the best pieces have been the colorful articles that begin on the paper's center column on page one—known internally as “A-Heds”—whose authors included the late Daniel Pearl. Murdoch recently told *Time* magazine he was not sure about the future of the “A-Heds.”

While the top 100 managers at Dow Jones implemented change-in-control provisions in early June after the bid was made, which guarantees Chief Executive Richard Zannino some \$19 million if he loses his job, the newspaper's staff is concerned over cost-cutting and Murdoch's threat to run roughshod over the news department. A veteran reporter at one of the paper's domestic bureaus, who did not want to be identified because of concerns over his career, told the *New York Times*, “It's sad. We held a wake. We stood around a pile of Journals and drank whiskey.”

The ability of multi-billionaires like Murdoch to dictate the news makes a mockery of the supposed “freedom of the press” in America. In reality the news media is entirely controlled by small number of very rich people, who vet the news in order to secure and augment their wealth and power.

The control of the news by media moguls is not entirely new in America. William Randolph Hearst was notorious for his “Yellow Journalism,” promoting jingoism to whip up support for the Spanish-American war and other imperialist ventures.

But the control and reach of the media monopolists

today is far more pervasive. With the exception so far of the Internet, every aspect of the distribution of information is controlled by vast media conglomerates, which enjoy the closest ties to the political establishment and have the power to influence masses of people around the world. Six corporations—News Corp, AOL/Time Warner, Viacom, Disney, General Electric and Bertelsmann—largely control the global dissemination of news in the interests of protecting the wealth and power of the elites, including Murdoch himself.

This reactionary agenda is pursued by every corporate-controlled media outlet from the liberal *New York Times* to the right-wing *Wall Street Journal*. The end product is a news media that lies to the people and seeks to drag public discourse to the lowest possible level.

Corporate control over the media must be ended. The production and distribution of information must be placed under the democratic control of working people in order to raise the level of knowledge and culture of the population, not defend the entrenched interests of a wealthy elite.

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