How Murdoch Got Lost in China

By STEPHEN KOTKIN

Correction Appended

RUPERT MURDOCH seems to have become a 24/7 story — even, or especially, in media he does not own. He is often portrayed as either a master Machiavellian who always gets his way or a money-grubbing lowbrow impresario. He may be neither.

The phenomenal success of the News Corporation, of which Mr. Murdoch is chairman, owes a lot to his shaking up the business side of media properties — and to risk taking. “Rupert Murdoch’s China Adventures” (Tuttle, $18.95) by Bruce Dover offers a smart read on a big bet by Mr. Murdoch that confounded him: trying to reach China’s 380 million television households with Fox-style news and entertainment.

Mr. Dover, the News Corporation’s representative in China from 1992 to 1998, takes us inside the business and the mind of its boss. He indicates that an organizational chart of the global company “would have Murdoch at the top and under him a single straight line to everyone else.”

The billionaire Mr. Murdoch, seen as a colossus in New York and London, is shown getting lost alone for hours in Kowloon, nearly being killed by a bus in Shanghai, and delighting in acquiring cut-rate silk ties from stall vendors or getting a $1 haircut (“including massive tip”). Mr. Murdoch, writes the author, “was forever in search of a good bargain.” China, however, turned out to be no bargain.

Much of the book concerns the consequences of a speech to advertisers that Mr. Murdoch gave in London in 1993, riffing that “advances in the technology of telecommunications have proved an unambiguous threat to totalitarian regimes everywhere.” These were the heady days after the Soviet collapse.

But the News Corporation had just acquired Star TV, a satellite broadcaster based in Hong Kong, with a plan to gain access to homes in mainland China — which was then and still is under a Communist regime. Responding to the self-announced Murdoch threat, Mr. Dover shows, Beijing banned the sale of private satellite dishes. Mr. Murdoch, a zealous anti-Communist, began a decade of obsequious damage control in China, hurting his company’s reputation in the United States, Britain and Australia.

His company dropped the BBC (and its uncensored news on China) from Star TV; spiked the memoirs of Chris Patten, the last British colonial governor of Hong Kong; and paid an advance for a hagiography of Deng Xiaoping, then the paramount leader, by his daughter. Mr. Murdoch also mounted a “joint venture” — supplying the capital — with the Communist Party mouthpiece, The People’s Daily.
Revisiting this well-known kowtowing, Mr. Dover adds details, but this is not the book’s achievement. Rather, matters become interesting when Liu Changle, a Chinese tycoon, approaches Mr. Murdoch to suggest a Chinese-language channel, Phoenix, in partnership with China’s state television, CCTV.

Mr. Liu appears to grease the way, and Phoenix’s reality shows and chitchat prove a hit with China’s aspirational class. But the effort, Mr. Dover says, lost $53 million in its first three years. CCTV, for its part, got a Murdoch-financed course in his trade secrets. And the whole time, Mr. Dover writes, Mr. Liu enabled Beijing’s security services to monitor the internal operations of the News Corporation in China.

So, the wily Communists stole Mr. Murdoch’s recipe and spied on him, and he paid for it.

Mr. Murdoch’s checkbook stayed wide open. In December 1998, after years of pleading, he finally landed an audience with Jiang Zemin, then China’s party chief, to try to schmooze away the satellite ban that was costing Star TV so much cash.

Mr. Murdoch, according to Mr. Dover, put $60 million into a venture of Mr. Jiang’s son. Mr. Murdoch also relocated his own son James to China. While the elder Mr. Murdoch went on to disparage the Dalai Lama in 1999, his son disparaged the Falun Gong in 2001.

The satellite ban stayed in force. Outfoxed!

In 1999, having lost a mini-fortune in China, Mr. Murdoch gained a wife; he married Wendi Deng 17 days after divorcing his second wife, to whom he had been married for three decades. The bride, born in China and educated at Yale management school, was 38 years his junior and two years earlier had been a Star TV intern. Mr. Dover writes that she reinvigorated Mr. Murdoch.

Once displaced as Mr. Murdoch’s point person on China by Ms. Deng, the author ceases to be an inside witness. (He then worked for Time Warner at CNN, and now works for the Australia Network, where he is chief executive.)

“Murdoch,” this chronicle concludes, “was by no means infallible.” Exhibit A, perhaps, is Mr. Dover himself. At an Internet show-and-tell for Chinese officials, the author tried to impress by calling up the site for an Australian newspaper but instead displayed a pornography site. At a dinner, Mr. Dover was served what looked like a whole mushroom, which he found chewy. The translator, when queried, informed him it was “sphincter of male suckling pig.”

But I digress.

Mr. Murdoch came up short in China, the author would have us believe, because he did not tread lightly enough. But would the politically controlling Communist regime have ever opened the country’s living rooms to the network of a foreigner, even a subtler one?

Beijing, despite various personnel changes — involving Chinese characters who enliven the book — held to a strategy: using the News Corporation to help the centrally controlled media learn modern techniques.
All the while, in democratic India, Mr. Dover reports, Star TV was minting money, with close to all of the 50 most-watched programs on cable, including “Indian Idol.” Yet even after Mr. Murdoch had obtained broadcast access to one province of China — in exchange for giving Chinese state propaganda access to global media markets — his shows were called a threat to Chinese morals.

That was not just by the censors, but also by the newly risen commercial media interests that had brazenly copied him. A Chinese version of “American Idol,” not owned by Mr. Murdoch, had 400 million viewers. The conquest he so craved was achieved, but on the Communist regime’s terms.

This article has been revised to reflect the following correction:

Correction: May 11, 2008
The Off the Shelf column last Sunday, a review of “Rupert Murdoch's China Adventures,” a book by Bruce Dover, referred incorrectly to Mr. Dover’s current employer, the Australia Network, where he is chief executive. It is part of the Australian Broadcasting Corporation, not the ABC-TV unit of Disney.