The battle of Mort Street

By the time the first edition of the Australian hit the streets fifty years ago, a vital part of Rupert Murdoch’s strategy had already run into trouble, writes Peter Browne

The linotype room at 18 Mort Street, where Arthur Shakespeare’s brother Jack would help out in the early 1960s if an edition was running late.

Canberra Times

David Bowman’s first inkling of the tidal wave about to strike Canberra was a chance encounter at Parliament House in late February 1964. Bowman, editor of the Canberra Times for the past eighteen months, had accompanied the paper’s chairman to a reception in King’s Hall to celebrate the opening of parliament.

“There were six or eight of us in a small group,” he recalls. “Rupert Murdoch was there. Arthur Shakespeare, our chairman, was there. I was there. Silence fell — one of those awkward silences — and Shakespeare turned to Murdoch and said abruptly, ‘What are you going to do with that land in Mort Street?’” Murdoch, Shakespeare knew, had bought a block in the same street as the Canberra Times. “Rupert paused for a moment, and then said, ‘Run you out of business!’” Everybody laughed, says Bowman, but there was no doubt that the comment was double-edged.

Double-edged in more ways than one, as it turned out. Not much more than a year later it was Murdoch’s new paper, the Australian, that came close to going out of business. Just nine months after the first edition, with one editor already dispatched, Murdoch told senior staff that the News Ltd board had decided to close the paper. They soon changed their minds, the attempt to take over or kill off the Canberra Times had almost fatally undermined Murdoch’s longer-term strategy.

Arthur Shakespeare had been managing editor of the Canberra Times since his father established the paper in 1926. “A short, trim man in whom there is a mixture of toughness and sentimentality,” as the fortnightly magazine Nation described him, Shakespeare ran a tight operation — so tight that one journalist later described it as a “sweatshop.” Ian Mathews, a future editor of the paper, told a National Library interviewer that conditions at the Times in the early 1960s were “incredibly bad, in terms of accommodation and the hours one worked.” But he loved working with David Bowman, Mathews added, and quickly grew to enjoy “the enormous difficulties of producing that paper under those conditions.”

In combination with Canberra’s accelerating population growth, Shakespeare’s frugality had boosted the paper’s profits to a healthy annual £80,000 by the late 1950s. Now he feared that the paper’s river of advertising revenue would prove too tempting for the big newspaper proprietors in Sydney and Melbourne. He also worried that the next generation of Shakespeares were too thin on the ground to keep the business going as a family affair. Six Shakespeares had worked on the paper more or less simultaneously over the decades, covering everything from advertising sales to linotyping. Facing a shortage of willing sons and nephews, the chairman had laid plans to make sure the Canberra Times survived and prospered in friendly hands.

“We have thought that the most desirable course for us to pursue,” he wrote to the managing director of John Fairfax Ltd, Rupert Henderson, in 1958, “would be to reach an understanding which will ensure that in the place of family succession this newspaper would be in hands which would uphold it always as a useful organ of public opinion at the federal capital.” Beneath the elaborate formality was a clear message: only Fairfax was acceptable
as a new owner of the Canberra Times, and if any other proprietor made an offer or threatened to launch a competitor, the publishers of the Sydney Morning Herald would be called in to help.

“Henderson filed this letter away carefully,” writes Gavin Souter in his history of Fairfax, *Company of Heralds*, “and on more than one subsequent occasion asked his secretary to bring it to him so that he would know it was safe.”

The agreement was extended and formalised in April 1963. Fairfax bought one-eighth of the shares in the Shakespeares’ operating company and took an option to buy the rest in 1967. More importantly, it was agreed that an early takeover would be triggered if a strong competitor entered the market — and Rupert Murdoch, only thirty-two years old but already a force in Adelaide and Sydney, certainly met that criterion.

If Shakespeare’s secret weapon was Fairfax, then Fairfax’s was John Douglas Pringle, the man Henderson sent to Canberra to turn the Canberra Times from a provincial tabloid into a metropolitan broadsheet.

Scottish-born Pringle had edited the Sydney Morning Herald from 1952 to 1957 after being coaxed to Australia from Britain (where he’d worked on the Manchester Guardian and the Times). Back in London and working for the Observer — but missing, he later wrote, “the hot sun, the brilliant light, the crackle and glitter of the Australian bush, the warm, aromatic air and starlit nights” — he’d had another visit from Henderson. Would he be interested in coming back to Australia to edit a national weekly in Sydney or a national daily in Canberra? And, while these projects were being developed, would he host a current affairs program on Fairfax’s Channel 7?

These offers, expressed with Henderson’s usual “immense enthusiasm and personality,” seemed exciting enough to Pringle to justify a return to Australia. He resigned from the Observer, packed up his family and sailed to Sydney in late 1963. He then spent a frustrating few months hosting Seven Days, an under-resourced rival of the ABC’s Four Corners. (“I discovered, slightly to my surprise, that I was no good on television,” he confesses in his memoir *Have Pen: Will Travel.*) And then, in early 1964, he was summoned to Henderson’s office and presented with the job of saving the Canberra Times.

“Mr Henderson, who was an ebullient man, several times announced that the Canberra Times was to be a ‘national paper,’” recalled Pringle. “This was not strictly accurate… Our aim was to make the Canberra Times a paper which served the federal capital in the same way that the Washington Post served Washington.” The hope was that the paper would grow with the city “and eventually acquire a national importance.”

In Canberra, David Bowman was surprised to find that he didn’t need to look for a new job. He would still be editor, with Pringle taking Shakespeare’s old title of managing editor. “This was a reflection of Pringle, who was very sensitive about these things,” Bowman says. “He handled people well — he was really a man you could follow.”

The admiration soon became mutual. Bowman was “a journalist of far greater technical skill than I and a young man of extraordinary drive and energy,” wrote Pringle. “He would be sitting at his desk when I arrived at eleven in the morning and would still be there, subbing copy, reading proofs, making up pages, when I left in the bitter frost of a winter’s night at one or two the next morning. Heaven knows when he went home.”

Pringle wasn’t the only new arrival. “For the first time,” writes George Munster in *A Paper Prince*, “the Canberra Times had a news editor, a features editor, a political correspondent, an economics writer and a chief subeditor.” They set about remaking the paper for what might well be a fight to the death.

Rupert Murdoch had already acquired a reputation for audacity, but the Australian was his biggest gamble yet. The launch of the paper was announced in April, a few weeks after he had made an attempt to persuade Shakespeare to sell him the Canberra Times. Murdoch was “not greatly troubled” by Shakespeare’s refusal, Fairfax’s general manager Angus McLachlan later recalled, because he believed that “under the active competition of the Australian, the Canberra Times would either go out of business or fall into his hands.”

The publicity machine was already ticking over. A generously illustrated hardcover booklet, circulated to potential advertisers, described the Australian as “the most exciting development in the newspaper world in many years.”
More ominously for the *Canberra Times*, it promised that the new paper would serve Canberra readers “on a scale and at a level of quality never previously attempted in this country.”

The *Australian* would be edited, assembled and printed in the national capital, with copies sent interstate by truck and plane. Large bureaus in the main capitals would supply state news, with international stories coming mainly from the wire services of major English-language papers around the world. (“At least a quarter of a million words a week of cable matter will flow into the *Australian*’s Canberra editorial offices,” confided the promotional booklet.) Among its journalists, “the policy and aspirations of the *Australian* called for the highest collective calibre ever attempted in Australia… a new kind of elite force.” If the reality matched the sales pitch, the *Australian* would be a triumph.

Reality was moving in a different direction. On 1 May, a few weeks after the booklet began circulating, Shakespeare and Henderson dropped their first front-page bombshell. “The whole of the share capital of the Federal Capital Press of Australia Pty Limited, publishers of the *Canberra Times*, has been bought by John Fairfax Limited,” said the announcement. “The *Canberra Times* will be developed as a national newspaper based on Canberra as Australia’s capital… Mr Arthur Shakespeare, a son of the founder of the *Canberra Times* and the present chairman and managing editor, will remain as chairman.”

Murdoch immediately modified his plans. The *Australian* would launch far sooner than anticipated, and would now be pitched at the major capital cities rather than primarily being a Canberra paper with a national circulation. It would still be edited in Canberra, but only the local copies would be printed there. Printing matrices would be flown to presses in Sydney and Melbourne by chartered plane, and the content of the largest state editions — and, especially, the Canberra edition — modified when necessary to suit the local market.

The second jolt for the creators of the *Australian* came on 1 July, when the *Canberra Times* converted from tabloid to broadsheet. Two stories dominated the spacious new front page — Indonesia’s *konfrontasi* with Malaysia, and the fast-rising price of land in Canberra. The weather forecast predicted “rather cold” weather with occasional showers.

“Today,” wrote Shakespeare in a letter to readers, “the *Canberra Times* appears in a new shape and new size. Our readers will want to know why this is necessary and whether it foreshadows other, and more fundamental, changes in its policy and character.” He answered the second question first: “The *Canberra Times* will remain the same independent, responsible and wholesome newspaper that it has always been, tied to no party or interest, avoiding sensation and scandal, dedicated to the pledge which remains at our ‘masthead’ — To serve the National City and through it the Nation.”

On the first question, Shakespeare observed that any newspaper must adjust its “form and content” to match the times. “New writers, new features, a wider coverage of news, more authoritative comment” almost inevitably called for bigger pages. He concluded with a flourish: “Big or small, tabloid or broadsheet, the *Canberra Times* will continue to serve the capital city as honestly and faithfully as it has done in its first thirty-eight years.”

Although *Nation* contributor Ken Inglis initially felt that the early broadsheet editions looked “no more professional than the old paper” (“It was a hell of a rushed job,” says Bowman), by the middle of the month it was, he *wrote*, “looking a little more comfortable in its broadsheet pages” and its photos were less “muddy.” Angus McLachlan, watching from Sydney, was more impressed. Pringle and Bowman had applied “tremendous zest, working almost unbelievable hours,” to create “an attractive quality newspaper,” he later wrote. Even more impressed, in retrospect at least, was Rupert Murdoch. “It was a remarkable achievement. And a pretty rough welcome for us,” he told biographer William Shawcross a quarter of a century later.

Overnight, the paper’s circulation in Canberra and beyond increased by 2000, to more than 20,000. In a town with fewer than 20,000 households it was a remarkable achievement.

And so, in mid July 1964, the four characters who would play key roles in what Pringle called a “ferocious” newspaper battle were on stage and ready for the drama to begin.

At 18 Mort Street, Pringle and Bowman were working amicably together, backed by a significantly larger staff.
than the Canberra Times had ever fielded before. Space was so short in the newly renovated building that the two editors were sharing an office, their desks at right angles to one another. Ian Mathews recalls addressing editorial questions to a point midway between the two of them.

At 42 Mort Street, where the Australian’s new premises were still being built while its large local and interstate staff were at work on the first edition, relations between the two leading figures, Murdoch and the man he had chosen as editor, Maxwell Newton, were less harmonious. Newton had joined the new project from Fairfax, where he had been editor of the Australian Financial Review during its transition to a daily, and had brought with him a small group of talented journalists unhappy with Fairfax management.

A “big, thick-haired, gap-toothed, raucous-voiced young man with the kind of vitality that reminded some people of the young Frank Packer,” as Gavin Souter describes him, Newton is among the more puzzling figures in Australian journalism. (His entry in the Australian Dictionary of Biography is subtitled “journalist, editor, publisher and brothel owner.”) At the Financial Review, first as a weekly, then a biweekly, then a daily paper, he had reshaped business reporting by employing university-educated journalists, linking the coverage of business, economics and politics in new ways, and encouraging direct, vivid language in headlines and reporting. (The brothels came much later, after a series of personal and business failures.)

Although Newton had been meeting secretly with Murdoch for some time, the trigger for his resignation from Fairfax was the intervention of the chairman, Warwick Fairfax, in editorial policy, especially to promote the interests of Liberal prime minister Robert Menzies. (According to Newton, Rupert Henderson responded to the news that Newton was leaving Fairfax with the words, “If I had a heart, you would have broken it.”)

On paper, the relationship between the proprietor and the editor of the Australian seems doomed from the start, especially given Murdoch’s hands-on style. “Newton was a free trader and a supporter of the Vietnam War; Murdoch was then a protectionist who opposed the war and favoured what Newton saw as other ‘Left-Liberal causes,’” writes Murray Goot in the Australian Dictionary of Biography. “Newton wanted a paper that attracted an elite readership and charged high advertising rates; Murdoch, who had not planned for a national paper and was desperate to stem its losses, was more at home with what Newton saw as ‘vulgar journalism.’ Above all, Murdoch ‘constantly interfered editorially.”

Strangely, Murdoch appeared to have no coherent vision of what kind of paper the Australian would be. As one of his senior journalists, Guy Morrison, told media historian Denis Cryle in 2002, “I didn’t really think he had devoted enough thought, planning and proper examination and discussion with the right people to make it viable from the start.” For a contributor to the quarterly journal Dissent, Alan McConnell, the problem was an attitude of reckless optimism: “The assumption, particularly by Mr Newton and Mr Murdoch, seemed to be that it was quite an easy thing to establish a ‘quality’ paper if only you had youth and enthusiasm.”

The haste isn’t altogether surprising. Murdoch had been forced by the Canberra Times to abandon his plan to establish a monopoly in Canberra before taking on the rest of the country, and to accelerate preparations for the launch. “We never thought of pulling the plug,” he told Shawcross. “We just said, ‘Well, we’ll have to go national right away.’”

On Wednesday 15 July 1964, a fortnight after the Canberra Times went broadsheet, the first edition of the Australian rolled off the presses. It was a cold, gusty day in the national capital, and the reception for this and subsequent editions was mild to warm.

“The Australian is, first of all, a clean and handsome thing to look at,” wrote Ken Inglis in Nation. “Not all the news pages have the ‘elegant appearance’ we had been led to hope for; but compared with those of every other Australian newspaper they are, as promised, ‘uncluttered.’ The double-page carrying editorials, cartoon and features seems to me simply beautiful: a few square feet of black and white fit to place alongside the best-designed newspapers of our language and time — the Guardian, say, or the Observer, or the New York Herald Tribune.

Bruce Petty’s cartoon for the first edition of the Australian, commenting on Barry Goldwater’s fiery speech accepting the presidential candidacy at the Republican National Convention in the United States.
“The prose is less elegant than the layout,” Inglis continued. “Contributions by such writers as Robin Boyd, Jock Marshall, Kenneth Hince and Edgar Waters read as if the layout were designed for them; some other pieces, signed and unsigned, sit there less happily.” Overseas news was given more space than in any of the other main metropolitan papers, and the sports pages were tailored for different states.

George Munster, writing in his 1985 biography of Murdoch, is more acerbic. The first edition was “a hotch-potch,” he writes, and the editorial in the first issue was right to confess that “we are growing up. But we have manifestly not achieved maturity.”

The biggest disappointment was page three, which signalled a failure of nerve on Murdoch’s part. Inglis was appalled to discover a horoscope: “Here, in a newspaper candidly designed for the best-educated part of the population, was a daily dose of the most mindless of superstitions.” And what, he wondered, was the point of the rest of the page, which was billed as the Peter Brennan Page, “the column that goes round the world’s lighter side”? “It appears to be a copy of the ‘William Hickey’ page of the London Daily Express,” said Inglis, “a section of crisp, trivial and often malicious gossip.”

For both Munster and Inglis, the Saturday edition would be where the Australian really shone. The weekend features section, Inglis wrote, “looks better, ranges more widely, and is written with a more even competence, than the comparable section of any other Australian paper.” “Through the rough times ahead,” says Munster, “the Saturday edition would be widely read and would pull up the average sales.”

For the editors and journalists anxiously watching from further up Mort Street, it was the Australian’s eight extra pages of Canberra news that were particularly worrying. Bowman had seen a copy of the first edition of the new paper before he’d gone home the night before. “It was two or three o’clock in the morning, I suppose. When I pored over it to get some measure of it, I felt that we were being outgunned.”

For Inglis, though, the Australian seemed “not quite as efficient” on local matters. The Canberra Times was running many more columns of classified advertisements, “which serve an urban community as a people’s market,” and “printing rather more hard news about the city’s affairs.” The photographs appear to have lost more of their muddiness too.

Pringle’s experience writing editorials on foreign affairs back in Britain soon became an enormous asset for the Canberra paper. “It was absolutely incredible,” recalled Ian Mathews, “to see the way in which Pringle could grasp matters of international and national importance and immediately write a comment which was so apposite that you would find it being quoted back a few days later — whether it was by Australian Associated Press or by other newspapers. He really was, I found, a most incredible operator.”

Nevertheless, the circulation of the Canberra Times fell by thousands of copies, mainly because the Australian was being delivered free to Canberra households for a month. “It was a hell of a drop for us,” says Bowman. “There was reason to wonder about our future.”

At 42 Mort Street, though, there were signs of trouble. “Murdoch, the ubiquitous shirt-sleeved presence, was an evening paper man, hungry for events translatable into headlines,” writes Munster. “Newton was a weekly commentator turned editor of a daily. They had spent months preparing a mix that didn’t blend.”

The differences between the two men weren’t the only problem. “There were nights when the charter planes could not take off at the fog-bound airport, the printing in Sydney and Melbourne accordingly ran late and readers saw their papers at around eleven in the morning,” writes Munster. Adrian Deamer, who became editor in 1966, recalled that Murdoch was reputed “to have come out one night in his pyjamas and his dressing gown, shouting at the pilot, ‘You can take off! You can take off! You can take off!’ You know, the fog all around over there and Rupert saying… ‘Off you go!’”

For readers, there was plenty of evidence of the paper’s confused identity. “Day after day, in the first months especially,” wrote Alan McConnell, “sensational stories were chosen to lead the paper,” with the aim of making readers change their reading habits. “The trouble was that it was so badly done, with the headlines and introductory paragraphs not supported by the body of the article, or the whole story not worth the prominence it
was given.”

The *Australian*’s circulation dropped after the free copies to Canberra readers stopped, so almost immediately Murdoch added an expanded liftout of local coverage to what it called its Canberra and Southern Edition, “the two papers having taken the skirmishing as far across the plains as Goulburn and as far up the mountains as Cooma.”

That observation is Ken Inglis’s, in a *Nation* article taking a second look at the paper in December. The *Australian*, he wrote, “is not, as a prospectus for it said that it would be, ‘one of the world’s great newspapers’; and it was probably wild of Mr Rupert Murdoch or anybody else to think that there could be such a thing in Australia.” He went on:

> On Saturdays it seems to me quite clearly the best paper we have. During the week, if I lived in Brisbane or Adelaide or Hobart I would feel a daily surge of gratitude to Mr Murdoch for giving me an alternative to the stifling parochialism and ugly layout of my morning paper… If I lived in Sydney or Melbourne or Perth, my estimate of the *Australian* would depend on how it happened to be performing on any particular day; for its quality as a provider of news varies much more than its readers were led to expect.

Inglis had encouraging words for the team at 18 Mort Street. “For my fourpence,” he wrote, “the *Times* still gives the better coverage of local news. In the few cases where I happen to have been able to check reports from my own knowledge, the *Times* has been on the whole more accurate. The *Australian* seems to miss more things than the *Times*.”

Readers, meanwhile, were voting with their pennies, reports Munster. The *Australian*’s circulation had averaged nearly 74,000 in the first fortnight of publication; by November, after Canberra households stopped receiving free copies, the figure was below 52,000. Murdoch was losing money at an alarming rate, and a pattern of significant losses would persist for much of the next half-century.

The battle was taking its toll on Murdoch, who was living apart from his first wife and their daughter and working long hours. Visiting the city from Sydney six months after the launch, Fairfax’s Angus McLachlan dined with the young proprietor at his home. “He struck me as lonely and depressed,” McLachlan wrote in his diary.

But Fairfax was finding the battle draining too. In another diary entry, McLachlan reports talking to colleagues in Sydney about the “Canberra situation,” which “worries me because while [the] *Australian* keeps going I see little chance of reducing losses running at about £400 a week.” But the *Times*, after faltering, was starting to win back its pre-*Australian* circulation and adding to it.

“To me, those twelve months in Canberra are now a blur of endless labour,” recalled Pringle in *Have Pen: Will Travel*. Bowman, for his part, was enjoying himself immensely. “I thought there was no better place in heaven or earth than at the *Canberra Times*,” he told me recently. “Canberra really was a fascinating place in which to edit, or even work for, a newspaper. There was such variety. If you’re going to do it properly you’ve got to work bloody hard, of course, but the variety — parliament, the public service, a big university, the ACT Advisory Council… And all that was going on the Canberra ‘village,’ of course.”

The turning point came — not a minute too soon for Fairfax and the *Times* — in March, nine months after the battle had begun. Newton, feeling increasingly out of step with his proprietor, had sent Murdoch an ultimatum demanding more power and autonomy. Murdoch rejected it, and Newton was replaced as editor. “I was genuinely sorry to see him go,” wrote Pringle, who had given Newton his first job back at the *Sydney Morning Herald* in the mid 1950s, “but it was always pleasant to be on the winning side.”

Two weeks after the new editor, Walter Kommer, took over, Murdoch told him that the News Ltd board had decided to close the paper. Munster, who knew Murdoch socially during this period, writes: “Visiting Sydney, Murdoch called one night into a restaurant to catch a friend and, unusually distraught, confided that he might
have to sell the *Australian* to someone like [the Canadian media owner] Roy Thomson, who was on the lookout for new properties.

The crisis passed, but Murdoch was retrenching for the long haul. "Conflicting reports of Murdoch's intentions in Canberra," wrote McLachlan in his diary in June 1965, "but it seems certain he is to drop his Canberra edition of the *Australian*. Other reports are that the *Australian* is to become a national Sunday [paper] and that he is to put out a Canberra evening [paper]. I can't see that would do much to reduce his losses." McLachlan was already planning a trip to Canberra the following day to see firsthand how Pringle and Bowman were faring.

Later that night came the news that Murdoch had dismissed sixteen staff and the *Australian*’s Canberra edition had been dumped. For McLachlan, there was no reason now to delay his plan — brewing since before he took over as managing director — to bring Pringle back to Sydney to restore the tarnished jewel in the Fairfax crown, the *Sydney Morning Herald*, which had never recovered from his departure in 1957.

The battle for Canberra came to a definitive end in March 1967. The *Canberra Times*’s circulation was now 23,000, mainly in the capital and nearby towns. The *Australian*, distributed across the nation, was selling 46,000 copies all up, far fewer than its launch publicity had anticipated and well short of the *Sydney Morning Herald*’s 289,000.

Bowman heard the news of Murdoch’s next move from an unexpected source one Saturday afternoon.

"I was busy digging up something or other in our front garden in Deakin," he recalls. "A car pulled up in the street and Max Newton got out. He said something like, 'Well, the Oz has gone.'"

"I said, 'What do you mean?'

"And he said, 'They're going down to Sydney.'"

Bowman pauses for a moment, then laughs. "I couldn't have been happier." •