

Life as a journalist

At that time the 1980s boom, unleashed by the deregulationist policies championed by Paul Keating, was in full swing. A change in media ownership laws led to an orgy of takeovers and sales in the industry. One big move was the purchase of *The Herald and Weekly Times* by Rupert Murdoch's News Corp to add to his powerful portfolio of assets.

He had dumped his stake in Channel 10 after Keating told proprietors, "You can be a prince of print or queen of the screen, but not both." Murdoch's bold move had him add the Melbourne sales leaders, the *Sun News Pictorial* and its afternoon sister *The Herald*, along with Adelaide's *The Advertiser*, *The Courier Mail* in Brisbane and some regional titles to his stable. Up until then, the Murdoch Australian stable consisted of the *Adelaide News*, which he had inherited from his father, Sydney's *Daily Telegraph* and the *Daily Mirror*, which he had bought from the Packer family, and the national daily *The Australian*, which he had started in 1964. All up the HWT purchase put him in a hugely powerful position with more than 60 per cent of print media eyeballs.

The Herald was a particularly important prize for Rupert because his father, Sir Keith, had been editor and then chairman of the company that owned it. *The Herald* was a fading diamond with afternoon papers in decline in the face of competition from TV, but Rupert decided he would revitalise it. He modernised its culture and look,

appointing a bright young editor, Eric Beecher, and spent money on business coverage, which he saw as a major selling point. That created the need for business journalists. I joined the staff shortly after the sale to News Corp.

So important were *The Herald* and *The Sun* to the Murdoch family that Rupert's well-respected mother, Dame Elisabeth, spent a couple of days introducing herself to everyone on the floor just after I joined, to impress upon all and sundry her respect for them and the job they were doing.

It was a hell of a shock arriving in the newsroom of what was a vibrant and pushy culture, where deadlines and story-breaking were pretty much all that mattered. To get *The Herald* onto the streets by its first edition time of 9 am, we had to start at six and rustle up enough fresh copy to make the business section more than a copy of what had been in that day's morning papers. Then you had to push through the day with new stories for later editions until the last hit the streets about 4 pm.

It was hard work but I loved it. The early edition was filled with market reports from overseas share and money markets, and whatever you could put aside from the day before. We also tried to take big stories from the morning papers forward by adding new angles, which often meant making calls to business types while they were having their breakfasts. That meant that building up a contacts list with home phone numbers was vital. Later in the day we would attend press conferences for major company announcements, often coming out to file from notes through telephone copytakers, creating the stories as we went from our scribbled notes and company handouts.

Then back in the office, the tyranny of deadlines reigned supreme with subeditors, like my lifelong friend Harb Gill, calling out, "Five minutes, Rod!" as edition times approached. By about four in the afternoon it was all over with the last edition gone. Then it was time to throw together some information you could use to build a story

at 6 am the next day, then knock off or perhaps go for a beer with comrades.

Soon I was moved to the stock exchange, where trading in those days was conducted in one spot. Operators on the trading floor took phone orders from their offices and then yelled bid and sale prices to the hardworking chalkies who stood on a platform before massive blackboards with lists of stocks. They wrote up prices and the resulting deals by somehow deciphering the yells from the trading floor.

Our office overlooked the trading floor and we would write stories on the market action for each edition, trying to break news by cosyng up to the brokers. I shared the office with a smart and idiosyncratic market gossip columnist named Chris Webb. Webby had been around, having worked as a broker and even at one point owning a chicken shop, and he had an impressive array of contacts that fed him stories. The operators knew his history so when they wanted to get a rise from him, they would sometimes do a chicken dance as he walked across the trading floor.

One day Webby came in and said, "Myer, we better start a research library." So from then on, every edition of three or four major newspapers was placed in a growing pile on the desk, to be flicked through when necessary. Libraries were vital in the days before digital news, and both the business section and the paper as a whole had librarians who maintained files of story clippings pasted on light cardboard pages organised by topic. As our "library" grew, I found it increasingly unwieldy but it didn't seem to trouble Webby, who would say things like, "It was in the *Fin Review* two Tuesdays ago," then dive into the unruly pile and come up with the edition he needed, seemingly by magic or some inbuilt personal radar system.

One day I arrived at work and the trading floor was in an eerie darkness, because the cleaners had neglected to turn on the lights. Shortly after, I got a call from the particularly phlegmatic news editor who said something like, "Wall Street was down and our market will follow so you better get a story ready." It wasn't unusual news but it was unusual that he had called before I rang him, so I asked him

by how much the US market had fallen. “Oh, about 500 points,” he replied.

That meant disaster – it was down 22 per cent, a massive collapse, so I was ready for a big day. When the announcer opened the market he said, “All I can say is good luck.” Then it was bedlam as operators screamed sell orders and the chalkies scrambled to document the market’s catastrophic fall. That crash didn’t end until the market had lost 55 per cent of its value a couple of months later. A cocktail of loss of confidence and high interest rates led to a terrible national recession from 1990, with my home state of Victoria the epicentre.

I was transferred back to the office in time for the market crash to start its massive earthquake that would tear down many of the bright, shining structures that had emerged from Paul Keating’s deregulation revolution. The dual paths of pulling down the tariff wall that had protected Australian manufacturing during the twentieth century and freeing up finance markets meant that lots of old companies with big asset bases found their revenue line wanting. There emerged a new generation of “entrepreneurs” with access to finance who could buy these old companies with claims they would restructure them for the new world. In fact many of them, think names like Alan Bond, John Spalvins and Ron Brierley, were more asset strippers who could only prosper when a rising market would keep increasing their net worth.

Once the music stopped in 1987, the finance tide started to go out and, as investment genius Warren Buffett once said, then “You could see who was swimming naked”. And, surprise surprise, lots of people were. I became banking writer for *The Herald*, and then, when the morning and afternoon papers merged, for *The Herald-Sun*. Being banking reporter meant I was at the forefront of the wave of corporate bankruptcies that followed the ’87 crash and the dramatic bust Paul Keating described as “The recession we had to have”.

Journalism was a different world in those days. There was no internet so the finance sector and investors relied on the papers to give them accurate and insightful information. So reliant on this

were share brokers that in the last years of *The Herald* we put out a late edition that would be delivered to brokers' offices just after the markets closed at 4 pm. It also meant journalists had to be on the beat, talking to contacts and going out to meet people to build relationships and constantly come up with fresh stories.

I remember in my early days as banking reporter, I apologised to the business editor for being out of the office so much. He looked at me quizzically and said, "There are no stories in the office, Rod!" Today, with the constant demands of internet updates and the rise of Zoom meetings, being away from your desk is a luxury few can afford.

But those journeys into the business world often yielded journalistic gold. One day I went to Sydney to interview FAI Insurance chief Rodney Adler and was sitting in his office foyer waiting to meet him. Someone emerged from behind a partition and made a statement about a deal that Adler was doing, announcing who was on the other side of it and implying something untoward – I've forgotten the detail now. I duly wrote the story, which was something of a scoop. Then I got a call from the other party, a Melbourne-based businessman, who said he wanted to see me after work. I went to his office and he plied me with whisky, which I duly drank as I was going through the trauma of a marriage break-up at the time. After some time, he unceremoniously sent me out into the street. Upon reflection the next day, I realised he was pumping me to see if I knew some other details about the deal he didn't want to come out. I didn't.

Not only were the newspapers a vital source of information across which corporate battles were played out, lots of players wanted part of the action. Today if you call a corporation as a journalist you are immediately funnelled through the all-controlling corporate affairs departments that manage connection with the outside world. Their job is basically to stop you finding out anything beyond a narrow corporate line.

In those days, public affairs flacks were far rarer; corporate executives were often keen to influence the flow of business narratives

and so were available to journalists. As a banking reporter I could call the ANZ Bank, ask for the head of corporate lending, and next thing you know I would be put through. I developed close relationships with some of these guys (as they all were then) and even their secretaries. It was remarkable what they would tell me.

One fellow rang me one day and said, “We are putting George Herscu under today.” Herscu was an ambitious businessman who had survived the Holocaust in Romania by hiding under the floor of a peasant’s hut and was undoubtedly highly traumatised. He had built his way up as a property developer, finally going into international property development through the Hooker group he had bought. Anyway, as the global recession hit, everything unravelled and his bankers had pulled the plug. I wrote the story for our afternoon edition and it led the business pages. One of our creative illustrators produced a picture with George dressed as the biblical figure Samson pulling the pillars of the Temple of Dagon down on himself with the temple labelled “Hooker”.

About half an hour after it hit the streets, I got a phone call. A voice with a heavy Eastern European accent said to me, “Mr Myer, it’s all lies and bullshit!” Unfortunately for everyone it wasn’t, and Hooker went under. The voice, of course, was George. Later that night I went to the Vineyard restaurant in Melbourne’s beachside suburb of St Kilda. George and a group of people were sitting two tables away. I was thankful that I didn’t have a picture byline so he didn’t know what I looked like!

By that stage, the recession was biting hard and it seemed every week another major entrepreneurial group would go down, with lenders, workers and suppliers all left in the lurch. A banker contact rang me to say that a consortium was refinancing the debt of a well-known industrial group but the Commonwealth Bank didn’t want to sign on to the new arrangement. “Don’t write it,” he said, “or the deal will fall over and the company will go down.” I agreed on the basis that he would give me exclusive details of the new arrangements when the lending consortium signed up. I couldn’t in all conscience

bring down a company that could survive just for a story in the paper. The banker proved as good as his word and the company is an industrial powerhouse today.

The Herald was a great place to be at the time because we had the funding and backing of Rupert Murdoch to use the business section to drive the paper. The recession was hitting hardest in Victoria because its old manufacturing economy was collapsing. One afternoon, a couple of worried businessmen, Bill Farrow and former AFL footballer David Clarke, arrived at our office to tell a few of us that their Pyramid Building Society would collapse without a government bailout. The reformist Cain state Labor government tried to broker a deal with one of the big four banks to take it over but failed. Pyramid's collapse hit thousands of Victorian savers, and the regional city of Geelong, its base, took years to recover.

The Cain government was also coming unstuck after some of its own instrumentalities that had played the entrepreneurial game were found sadly wanting. The State Bank of Victoria (SBV), the centrepiece of the local economy where many Victorians had opened their first account and got their first home loan, collapsed under the weight of \$1.5 billion in losses in its merchant bank Tricontinental. It had tried to play with the smart money in the private sector and come off badly second best. The master strategist Paul Keating came to the fore, using the situation to implement his privatisation agenda. SBV would be saved by the Commonwealth Bank, but to fund the deal CBA would be partly privatised. The deal went through, Victoria lost its bank and its pride, and CBA is now 100 per cent private.

There was another stinking fish being hidden in the Victorian state accounts – the Victorian Economic Development Corporation (VEDC). It had been set up to help fund promising businesses to boost the state economy but, like Tricontinental, it had gone bad through loans to charlatans of one sort or another. Our broadsheet competitor, *The Age*, went doggo on the story because their sympathies lay with the progressive Cain government. Such niceties didn't trouble *The Herald* and *The Sun*; the Murdoch management loved

claiming scalps among what it saw as Rupert's ideological enemies. I was put on the VEDC round with a very hard-arsed investigative reporter named Ben Hills and we went to town uncovering bad deals. I didn't get on with Ben but learnt a lot from him. Once, when I asked whether I should ring a target and put our allegations to him, I was told, "Never stampede the elephants before you dig the pit." Good advice in retrospect.

While Victoria was the hub of the recession, Western Australia was the centre of shonky entrepreneurship. In an arrangement known as WA Inc, its state government was in cahoots with smelly entrepreneurs, trying to keep the state afloat after the 1987 crash. It also lost its state bank and the Premier, Brian Burke, eventually went to the big house for his part in things. *The Herald* and later *The Herald-Sun's* hard-bitten business columnist, Terry McCrann, was at the forefront of the paper's challenge to WA Inc. I liked Terry because he never pulled his punches, unlike many commentators who feared losing contacts, although I didn't always agree with his outspoken political stances. One night after I'd been transferred to the business news desk on *The Herald-Sun*, I asked Terry how he was going. It was part of the ritual I would go through nightly, partly as a social chat between colleagues and also to find out what he was filing on that night. As business news editor it was my job to put the pages together, working out what needed to be run, writing headlines and positioning stories. So knowing what Terry was writing on helped me work out the prominence to be given to other stories.

This night, unusually, Terry told me he was a bit worried. I asked what about and he said he was being threatened with a lawsuit. When I asked why, he said it was over his probings of some WA Inc participants. Terry had been going in hard against the massive misdeeds of WA Inc's leading entrepreneurial figures like Alan Bond, Brian Yuill and Laurie Connell.

As it turned out the three, probably the worst offenders among WA's menagerie of 1980s shonks, all ended up in jail soon enough, and Terry's calls on their activities proved right. By then their threat

of legal action had long since melted away.

Terry was close to Rupert Murdoch, who used him as an adviser. He wrote by researching, speaking to his contacts and cogitating until his stream of pithy analysis was ready to emerge. That was a style used by a lot of columnists, and managing that is part of the high pressure job of news editing.

It means columnists can file as the deadline looms, leaving production teams struggling to get the pages away. I'd sometimes go into Terry's office to see how he was going to get a sense of when his copy would arrive and juggle that with the demands of other stories we were dealing with.

One night the deadline was looming, I'd been in to see him and was really stressed. The phone on the subs desk rang so I picked it up. A voice barked in my ear, "Is McCrann there?" I responded, "Yes, but you can't speak to him until he's filed because we need his copy now." "Oh, okay," the voice said. "Tell him Mr Murdoch rang." Ever respectful of the production process, Rupert didn't pull rank on me but when I told Terry later, he was a bit surprised I hadn't put the call through.