



Separation anxiety

Wendi Deng may not go quietly as her divorce from Rupert Murdoch plays out, suggests Neil Chenoweth.

Two days before shares in his new split empire begin trading on Wednesday, **Rupert Murdoch** is facing an existential threat to his control of the global media monolith he has built over 60 years.

Challenges loom on many fronts – demerger problems, ongoing US and UK criminal inquiries, and the departure of long-time CFO **David DeVoe**, the last member of Murdoch's inner circle of advisers who have stood beside him for two decades. But there's no question where the real danger lies.

Volumes have been written in the last three days about Murdoch's decision to divorce his wife of 14 years, **Wendi Deng**. Much of it has been spin and invention.

Sensational reasons have been suggested for the divorce, but with Murdoch the answers are rarely mono-dimensional. Many factors are at play.

Perhaps the most remarkable claim has been that this will be a private negotiation behind closed doors. Of course that's certainly possible – and indeed likely in the initial phase at least.

The alternative reading is that when the gloves come off this will be Wendi Deng's moment.

How hard will Deng fight in this divorce? Consider her iconic moment two years ago, when she won worldwide applause for her response when a cream pie was thrown at

Rupert Murdoch during a UK parliamentary committee.

Within two seconds of seeing the pie-thrower, Jonathon May-Bowles, Deng had popped him with a swinging right.

It's the response of the protective spouse, the way everyone would like to react to such an incident. Most people wish that in hindsight because in reality few can shift from surprise to outrage to assault quite that fast.

It's the copybook response of the Tiger Wife protecting her family. But how does that play out when she is fighting not to protect her spouse, but to protect her two daughters from Murdoch's lawyers?

In the end this is what the Murdoch succession is all about. Pursuing equal rights for her daughters would make Wendi Deng the most powerful person in the News empire after Rupert bows out.

On the one hand, the succession of pre- and post-nuptial agreements Deng signed should make this a no-contest. But putting aside the legalities, she has the potential to make life intensely uncomfortable for the Murdochs.

To understand the dynamics you have to consider how Rupert and Wendi came together.

On the night of June 30 1997 the Kowloon waterfront was a wall of people, as Hong Kong celebrated the end of British rule. Murdoch was bored at the VIP official function and headed back to his room at the Regent Hotel, but his taxi had to drop him blocks away because of the crowds.

Bruce Dover in his book *Rupert's Adventures in China* describes how he was asked to come to the Regent concierge two hours later to identify a wet, dishevelled westerner as his boss.

Murdoch had been lost in the crowds for two hours. He was at an all-time low – his ambitious US satellite plans had failed and he had been publicly humiliated – a faint shadow of his predicament today.

He was 66, just short of the age his father died of prostate cancer, and his marriage with then wife Anna was suffering as she

How much leverage does Wendi Deng have? As the keeper of Rupert Murdoch's secrets, she could make life unbearable for him.

pressed him to step down. Remarkably, Murdoch emerged from his ordeal in Kowloon exuberant, overwhelmed by the raw vitality of the Chinese crowds.

"What an adventure!" he told Dover. That frame of mind is telling, because just a day before, Dover had introduced Murdoch to Star TV staff Dover had flown down from Shanghai. One of them was Wendi Deng.

Murdoch's 1999 divorce from Anna was

acrimonious but civilised. She was angry, but Rupert had hostages – their children. If she insisted on fighting for a half share of the family fortune it would mean splitting their controlling News Corp stake, curtailing those children's prospects.

She made a parent's choice, taking little more than \$US100 million (about \$A140 million at the time) plus two homes, with no fuss.

In her sole interview in 2002 in the *Australian Women's Weekly* David Leser asked if it was true that she received \$1 billion in the divorce. She said, "No comment".

In February 2006 a general story about tough divorces in *The Independent* in London concluded with: "Rupert Murdoch handed over an estimated £1 billion to his first wife Anna in 1999, one of the most expensive divorce settlements in history."

The \$100 million figure had become \$A1 billion, then £1 billion, then it was translated into \$US1.7 billion – and this was then repeated at the top of a list of expensive divorces every time a celebrity couple split. The fiction became gospel.

Anna's "no comment" in 2002 was not a confirmation – it spared her explaining the deal she had struck with Rupert: she had settled low in return for Murdoch's commitment to exclude Wendi and any children from inheriting.

It works like this. Murdoch appointed four directors to the corporate trustee of the chief family trust (now in Nevada) and Anna's children Elisabeth, Lachlan and

\$140 million

What Rupert Murdoch's first wife Anna received after the couple divorced in 1999. This was later wrongly inflated, first to \$1bn, then £1bn, then \$US1.7bn, but was still one of the most expensive divorces.