



Mary Fairfax

February 1991

THE TEARS HAVE DRIED AND Lady (Mary) Fairfax is leaning forward on the sofa clutching her letters and photographs. The butler is hovering just beyond the reception room and her PR man is looking anxiously at the floor. 'Now, do I seem like a person who is interested in revenge?' she asks in a deep whisper. The question comes tumbling out at the end of a two-hour talk-fest brimming with gushy memories and savage recriminations. Later, serving a lunch of braised chicken and apricot souffle, she pursues her defence: 'What sort of character do you think I am? You tell me.'

What can one say? After 32 years in the public eye; after a rumoured love affair that scandalised society; after a harrowing divorce trial, a celebrated remarriage; after a welter of extraordinary parties with an endless array of famous guests; and, now, with an Australian media empire in ruin and a family filled with bad blood, it is no simple question to answer.

Is she one of the most monstrously misunderstood women in Australian history, or is she as deceptive as she is clever? Is she the instigator of a company takeover gone disastrously wrong or the victim of markets, male chauvinism, banks, bad advice, bad luck—and a son, Warwick, who was always hopelessly out of his depth?

Is she a manipulative, scheming woman, hungry for power, wealth and status? Or a tireless worker for the arts and charity, as well as a generous, fun-loving hostess and friend? Is she a family maker or an empire breaker? A proud matriarch who frequently owns up to only three children or a tormented mother of four? Is she a Jewess or a Christian? Does she sit atop staggering wealth or horrendous losses? Is she a figure of romance or of vengeance?

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And is it Mary or Marie?

There's been so much talk, so many delicious rumours, so many versions of the truth that the total picture is blurred. After this interview, it looks positively surreal.

For two hours, seated in the reception room of her sprawling mansion, Fairwater, Lady Fairfax has talked incessantly in half sentences and homilies about love, money and treachery as she endeavours to set the record straight about herself and the role she is purported to have played in the decimation of the oldest family-run media company in the world, John Fairfax Ltd—a company which boasts assets such as *The Sydney Morning Herald*, *The Age* and *The Australian Financial Review*. But it is like trying to decipher hieroglyphics. Mary Fairfax's version of herself, as it emerges from the tangled cobweb of emotions and events she recounts, is diametrically opposed to what most of the 70 people spoken to for this article have to say about her.

It took Lady Fairfax 12 months to agree to this meeting. After postponing it twice, she finally selected a date—the day after our deadline. She then set the condition of seeing the questions in advance. Four were rejected before we arrived, one—about her religion—after we got there. At the end of the interview, she asked to see the story before publication. 'For the purposes of accuracy, not censorship,' her PR man, Murray Williams, insisted. 'Unless there's something you're ashamed of . . .' (The request was denied.)

Mary Fairfax is a mercurial woman. In some ways her story reads like a Greek tragedy. In others, like a French farce. Either way, it's one of the great Australian dramas of our time, a highly charged epic that has run through three decades of a newspaper family's—and a nation's—life. In the dead centre, of course, stands *The Sydney Morning Herald*, the oldest and most prestigious newspaper in the country. Without it, Mary Fairfax's enigmatic character would be of little public interest.

According to Lady Fairfax, there were, even before the present one, three 'disasters' which have dominated her life, apart from the 'tragedy' of spraining a ligament when she was a young girl. ('That had a most devastating effect on my life,' she says. 'I became very introverted.')

The first was her marriage to Sydney lawyer Cedric Symonds in December 1945. In some ways, the disintegration of this union 12 years later—and her subsequent remarriage to Warwick Fairfax, scion of a proud newspaper family and the man who ran John Fairfax Ltd in one position or another for nearly 50 years—is the master key to all the events that followed, including the recent collapse of the Fairfax company. The circumstances surrounding her divorce and remarriage poisoned forever relations between Lady Fairfax and the men who helped run her new

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husband's company. Quite simply, it became a relationship of mutual loathing.

But like the Japanese story, *Rashomon*, in which there are four witnesses to—and four versions of—the same event, the tale of Mary Fairfax's life varies with the teller.

Lady Fairfax recalls, for instance, that her first meeting with Warwick Fairfax was at a Sydney society function in the late 1950s when she was still married to Symonds, and Warwick was still with his second wife, Hanne. 'Sir Warwick came to me and said: "I don't recall your name. I think I've met you somewhere before."'

Two friends recall, however, that Warwick told them a different version. 'He walked around, stopped at her table and they were introduced,' one of the friends recounts. 'And Mary said to him: "I had no idea who you were." Warwick looked down his nose and smiled at her and said: "My dear, you knew exactly who I was."'

And she probably did. Mary was no stranger to Sydney society. 'She liked to surround herself with bright young men,' says one man who was courted by her in her youth. 'I was just one of the bright young men in the process. She just took over and told me how to run my life. Having met her I was just slightly out of breath afterwards. She conveyed the impression of being a highly ambitious person and extremely self-assured.'

Like many others spoken to, he also remembers her not as Mary, but as Marie. It was the name she registered under at the University of Sydney, where she graduated in pharmacy in 1942. She was an excellent student. At the Presbyterian Ladies' College, Croydon, she had also excelled, although contrary to what Lady Fairfax says, the school holds no record of her having been dux. She did, however, win prizes for history and chemistry.

One of the certainties about Lady Fairfax's life is that on July 4, 1959, she married Warwick Fairfax. The wedding was just past midnight, the day after Warwick and Hanne's divorce was made absolute. There were three witnesses and enough champagne and caviar to feed generations of Fairfaxes—had they been invited.

Earlier, in June 1958, Hanne had sued Warwick for restitution of conjugal rights amid sensational allegations that he had been having an affair with Mary Symonds. Lady Fairfax vehemently denies that there was any such affair. She says she left Symonds because of fears for her safety, not because of Warwick Fairfax. Leaning forward on the couch, she begins to go into chilling detail about what allegedly happened in their home. They are claims which are later put to Cedric Symonds. 'She has been putting this out for 30 years to justify herself and justify her conduct,' he says. 'You can ask anyone in Sydney if I am physically violent. She is just

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fabricating it all. I have deeply considered suing her for defamation before and [if you print her claims] I will sue her for \$1 million.'

The Symonds then went through a tumultuous divorce trial. In what was a most unusual ruling for the time, custody of their seven-year-old son, Garth, was awarded to the father. A protracted tug of war over access to Garth ensued. According to newspaper reports, Mary obtained a court order for Garth to be psychiatrically assessed on the grounds that he was refusing to see her. 'He would scream when he saw me,' she recalls. Cedric Symonds then appealed against that order, eventually winning the case in the High Court. Mary and her son became estranged for more than a decade.

Understandably, Garth Symonds, now a 39-year-old Sydney solicitor, is very reluctant to talk about his mother, except to say: 'I think she is a remarkable woman and I admire a lot of her achievements.'

The reality, however, is that theirs is an extremely fragile relationship built on sediments of love, guilt, terrible sadness and alienation. Friends recall how Mary would oscillate over the years between anger at Garth's refusal to see her and acts of total devotion. Recalling that time, Lady Fairfax begins to cry and the words catch in her throat. 'My friends used to tell me when Garth was going to a movie,' she says falteringly. 'I would stand in the dark and watch my child . . .'

Friends also remember asking Mary why Garth never featured in her fabled personalised Christmas cards, which chronicled in almost embarrassing detail the lives of her other natural-born son, Warwick, and her adopted children, Charles and Anna. She'd reply: 'Never speak to me about him. It's a pain in my heart I can't discuss.'

When Mary exchanged vows with Warwick, the loss of this son was not the only wound she was nursing. Two months earlier, Warwick Fairfax's advisers—John Fairfax managing director Rupert 'Rags' Henderson and family solicitor Alastair Stephen—had persuaded Warwick to sell almost half of his shareholdings to James, his son by his first marriage. The reason? Ostensibly to minimise death duties. The real motive, writes Vic Carroll, former editor-in-chief of *The Sydney Morning Herald*, in his book *The Man Who Couldn't Wait*, was to 'remove half of Warwick's shares from the influence of his third and most ambitious wife on the eve of their marriage'.

That share transfer paved the way for Lady Fairfax's 'second disaster'—the temporary removal of her husband as chairman of John Fairfax Ltd in early 1961.

Warwick Fairfax had been issued with a Supreme Court writ by Cedric Symonds claiming he had induced Mary into leaving him. He was seeking £100,000 damages. Deciding that this was an embarrassment the company

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could do without, James Fairfax decided to use his new block of shares in combination with his father's cousin, Sir Vincent, to have his father step down as chairman while the case was being heard. It was a dress rehearsal for Lady Fairfax's 'third disaster'—Sir Warwick's removal for the second and last time as chairman in 1976.

Eventually the case between Cedric Symonds and Warwick Fairfax was settled out of court. It was widely believed at the time that Fairfax paid Symonds the £100,000, but Lady Fairfax denies this, maintaining that she forbade Warwick to pay him anything. She says she gave Symonds a 'token' sum. 'It was £10 or less.'

'Absolute garbage,' says Symonds. 'Neither Warwick nor Mary paid me anything. I withdrew the case because I was married to my current wife. *She* was responsible for me not proceeding.'

Lady Fairfax is convinced now that her husband's temporary removal as chairman in 1961 was 'a management power play' orchestrated by Rupert Henderson, the towering force in the Fairfax company's fortunes for more than 40 years.

'When I married Sir Warwick [he went from] being a person who was not very well and didn't go to the office very much . . . to feeling energised and going to the office every day,' she says. '[His ill-health] gave Henderson a terrific lot of power and a lot of money.'

Lady Fairfax pauses for a moment and Murray Williams, her PR man and minder for this interview, has a sudden epiphany.

'Mary,' he asks with exquisite timing, 'have you ever considered the possibility that Henderson either cooperated with or put Symonds up to this writ?'

Lady Fairfax: 'That would be very possible.'

Symonds later responds with incredulity to this conspiracy theory: 'I didn't even know Rupert Henderson.'

In the middle of this play of passions—on December 2, 1960—Warwick Fairfax junior entered the world. His mother was 36, his father nearly 59.

Lady Fairfax reveals now how the difficult birth nearly killed her and that she struggled with doctors to be allowed to breastfeed her son. 'The reason I wanted to breastfeed Warwick was because I had done it for Garth . . . I wanted to make quite sure that my child had the best start in life, even if I was in emergency . . . And Warwick has loved me.'

She sifts through a pile of manilla folders stuffed with memorabilia and produces a copy of a letter she wrote to young Warwick in 1980.

She reads sections in rasping staccato: 'My darling Warwick . . . You know they [the Fairfax management] did their best to point the finger at me as being responsible for Daddy being twice removed from office

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... Outright untruth ... I was abroad 10 months after the marriage. Then weeks after my return being pregnant ... Ill ... My father died ... I collapsed ... Had to live downstairs in Daddy's library ... Operated three times to save me in the end ... After your birth nearly died ... When could I take an interest in John Fairfax? I was weak and ill ... Then got pregnant again ... Lost that baby ... Went with you when you were one to Tahiti to recover four or five months on Daddy's orders ... For the next few years, five miscarriages ... Each time I was sent away until finally, in England, the last miscarriage ... [Adopted] Anna and Charles.'

MARY FAIRFAX WAS THE DAUGHTER of two Polish Jews. Her marriage into an establishment—and thoroughly white Anglo-Saxon Protestant—family was, therefore, always going to be complicated. She ran the risk of being rejected by the community she was marrying out of, and ostracised by the family she was entering. But Mary Fairfax seemed to cross religious lines with an ease that left many people dumbfounded. After all, she had been born into a household that regarded the existence of a Jewish state as an article of faith. Her parents, Kevin and Anna Wein, were active members of Sydney's Jewish community. The Weins had left Poland for Australia in the late 1920s to escape communism and widespread anti-Semitism, and had eventually moved to Sydney from Broken Hill after Anna reputedly declared the mining town to be 'no place for a Jewish family'. They then set up a frock shop in Oxford Street, Darlinghurst, later incorporated into their daughter's chain of middle-range fashion stores.

(Lady Fairfax claims she ended up owning seven shops in Sydney and that she was 'probably the highest income earner in this State' before she married Warwick Fairfax. She also says she has achieved more financial success than anyone she knows in Australia. Cedric Symonds describes these claims as 'absolute tommy bloody rot', saying that he and Mary never owned more than three shops at the one time and that they amounted to 'very small potatoes'. 'She was selling dresses to the public in Marrickville and Ashfield,' he says.)

'She is a woman for all seasons,' says someone who has known her for more than 20 years. 'When she married old Warwick she changed from Judaism to Christianity with all the comfort that a matron at the Black and White Ball would display slipping off her fur jacket.'

There are members of Australia's Jewish community who still talk about the comments Lady Fairfax made in 1989 when asked how she had fared

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during her son Warwick's takeover of John Fairfax Ltd: 'I didn't know about it,' she said. 'I was in Salzburg for the opera . . . I'm a very religious person. I wanted some place to pray in Salzburg. I went to five masses. I prayed so many rosaries, I practically wore out my beads.'

'Has she converted or is she having a couple of bob each way?' asks one prominent Jew, who asked not to be named.

Lady Fairfax vetoed any discussion of her religion minutes before this interview. The subject is broached nonetheless and her response is decidedly terse: 'My dear friend. My father was agnostic. I was not brought up in the Jewish faith, the Muslim faith or anything else, and that was fairly well known.' Three days later, Lady Fairfax calls to point out that her parents were political Jews, not religious ones. 'I come from an agnostic family that had no faith and 30 years ago I became a member of the Church of England,' she says.

Cedric Symonds, himself a Jew, can barely conceal his derision: 'She wants to forget she is Polish. She wants to forget she is Jewish. She wants to forget she was a Zionist. Once she married Warwick Fairfax, she wanted to become a pillar of Christian society.'

The subject of religion is obviously a sensitive one for her. At a cocktail party shortly after she married Warwick Fairfax, Mary revealed to an acquaintance just how difficult her position really was. 'She was standing in a corner with tears in her eyes,' the acquaintance says, 'and I went up to her and said, "What the hell is the matter with you?" She said: "Look at me, they hate me because I am Jewish." I said: "Darling, your religion has nothing to do with it. It's your vulgarity they can't come to terms with."'

And indeed, Lady Fairfax has been scorned by some for her bad form, particularly her ostentatious displays of wealth. 'I love being rich,' she told a friend one day as they were being chauffeur-driven in the Rolls-Royce to Harrington Park, the Fairfax estate south-west of Sydney. Having ordered her chef to accompany them to the estate to prepare lunch, Lady Fairfax limited her request to a single artichoke when they finally sat down to eat. 'That sort of thing describes the effect that money had on her,' the friend says.

Others dispute this interpretation, claiming that she's extremely generous. 'She would do anything for you,' says Genia Solomon, a friend for more than 50 years. 'People in her position aren't usually caring about other people. Mary is.'

Lady Fairfax's way of caring, though, has often been sniffed at. During the drama of her son's 1987 takeover bid, she took to calling some of the players involved. One of them told a friend that he 'nearly went mad'

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from these phone calls 'because apart from business, she'd then want to discuss my bowels and eating habits'.

Perhaps she had gleaned certain dietary hints from her frequent spells at the Hopewood Health Centre at Wallacia, west of Sydney. People who have seen her there recall how she would eat nothing but pawpaw all day while devouring the financial pages of the newspapers.

The technique seems to work, because her physical appearance stuns those who have known her over a lifetime.

'She wasn't shaped like that 20 years ago,' says one man who has known her that long. 'I remember dancing with her at a ball recently and she was going on and on about Martin Dougherty [a major figure in the takeover] and how he walked away with \$2 million. I just remember being pre-occupied by the fact that my hand could almost span her waist. It was so small, this shape that had been created, and I couldn't concentrate on what she was saying for the fascination of this physical re-creation.'

During the course of our interview, Lady Fairfax makes frequent reference to diet. More often, though, to dollars. 'My father said: "To think a daughter of mine would discuss a subject like that." I said: "Daddy, money is beautiful. It makes you free."' Yes, but it didn't buy acceptance, especially not from an old-money family like the Fairfaxes. Soon after marrying Warwick, Mary bought her new stepson, James, two solid gold champagne glasses for Christmas. They were not appreciated. A family friend says James interpreted the gift as an attempt to buy love.

'If you knew James, there couldn't have been two things less appropriate to give him,' the friend says. James Fairfax declined to talk to me about his stepmother, but according to mutual friends, he and Lady Fairfax are far from close.

Nevertheless, what was considered vulgar by some was regarded by others as simply part of Mary's idiosyncratic nature, one that included a shameless sense of fun. Friends of Sir Warwick say her flamboyance was an elixir for a stiff-necked and, in many ways, tired old man.

Prominent Sydney socialite Lady (Primrose) Potter recalls going to Harrington Park one day and finding Mary at the piano and Warwick singing along to Gilbert and Sullivan. 'He enjoyed it all and I just wonder how much he'd enjoyed his life before,' she says. 'He might have done all sorts of interesting things but whether he actually enjoyed it as much . . . Mary was fun.'

Indeed she was. Not long after they were married, she had installed above their bed at Harrington Park an electronic roof that slid away to admit the moonlight. 'She was enormously considerate towards Warwick and made his life infinitely more comfortable,' says Charles Lloyd-Jones, a long-time family intimate.

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In other ways, it was almost as if life had turned into one big party. People still remember the one she threw 17 years ago, inviting over 1,000 guests. They remember that when Imelda Marcos entered the grounds, the band piped up *Ho, Ro My Nut Brown Maiden*. And that Marcos's bodyguards staggered around drunk all night after some guests had thrown them bottles of whisky. They remember also that the guests were divided into two marquees depending on who was more—or less—important in the social pecking order. And they remember the champagne that Mary served. Minchinbury. 'Unless she got her booze for free, she would serve the cheapest there was,' recalls one guest, still miffed at the memory.

Lady Fairfax was a daring—if occasionally disappointed—hostess. On one occasion, she invited all the European royalty she could think of to a fund-raising ball for her opera cause. A fairly inconsequential Italian princess named Luciana Pignatelli was the only one who showed up.

'Everything she has done has been fun,' says Lady Potter. 'It might be over the top or it might be . . . whatever. But it's always fun. It causes chat and people will go.'

Her daughter, Primrose Dunlop, agrees. 'I don't think she deserves the ridicule she has gotten. Tragically for Mary, she was an outsider to all the Fairfax women and no matter how much she played the role, no matter how much she toed the line, they weren't going to be generous enough of spirit to understand what made Mary tick. They didn't understand the Jewish mentality. They didn't understand Mary's flashy side. You are talking about very conservative WASPish women who have probably never had an orgasm in their life.'

So under Mary's assiduous eye, Fairwater, with its breathtaking command of Sydney Harbour and Seven Shillings Beach, was turned into one of Australia's great salons. It became a place where prime ministers, premiers, actors, artists, intellectuals, captains of industry, even footballers, could network in Victorian gothic splendour; where Rodins and Epsteins graced the lobby, Aubusson rugs decorated the floors, and original oils by Pissarro, Dobell and Degas hung from the walls.

On the Saturday night before this interview, for example, Lady Fairfax hosted a dinner for the foreign minister, Gareth Evans, the environment minister, Ros Kelly, the American ambassador, Melvin Sempler, and his wife, as well as other notables in business and political life. A children's choir provided the entertainment.

But so many parties has she either hosted or attended, that it's little wonder she sometimes forgets who her guests are. At a recent Fairwater soirée, for example, she introduced Cardinal Edward Clancy, the Catholic Archbishop of Sydney, as His Eminence Cardinal Gilroy. After being

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corrected, she did it again two minutes later. Cardinal Sir Norman Gilroy died nearly 14 years ago.

'Mary Fairfax was always just recovering from one party and preparing for another,' recalls a former senior Fairfax executive, who, like most people contacted for this article, spoke on condition of anonymity. 'This heavy emphasis on big parties was compensating for her lack of mention in the paper, because there was an editorial understanding that her name shouldn't go in without the authority of the principal editors at the time.

'I am sure she resented this because she knew that from the time she took up with Warwick, her name couldn't be put in the paper like other social hostesses. It would have been scandalous to do so.'

Yet Mary Fairfax's involvement in the arts over the past quarter of a century has made her a fixture in the social pages of other Australian newspapers.

In 1964 she established the Australian Opera Auditions in co-operation with the New York Metropolitan Opera. It remains the sole overseas offshoot of the Met in the world, although it has since come under the auspices of the Opera Foundation Australia, which Lady Fairfax in turn set up 10 years later. (This organisation has no structural link to the Australian Opera.)

Its main purpose has been to raise money for young Australian singers to study overseas. Some of Australia's most successful names in opera—Marilyn Richardson, Glenys Fowles, Donald Shanks, Jennifer McGregor—have had their talents recognised and tapped through the Foundation. Lady Fairfax was awarded an OBE in 1975, in part for her contribution to opera.

And yet, there are opera people who still flinch at the mention of her name. One woman who worked on the auditions committee with Mary claimed that when she tried to leave to go and work for the Australian Opera, Lady Fairfax told her she would contact the then Prime Minister, John Gorton, to prevent her from doing so.

'She has made so many people nervous in the opera that many people decided it was better not having anything to do with her,' says the ex-colleague. 'She wanted to completely own the people who worked for her.'

One source with in-depth knowledge of Lady Fairfax's contribution believes that she has a 'Fifth Avenue' view of opera. 'My impression is that she has not actually learnt anything in 25 years. I would like to honestly be able to present another assessment but there are any number of people who would express the same opinion about Mary's operatic

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knowledge. It's essentially an unsophisticated view and unsophisticated approach.'

Asked, then, what she may have gained by her association with opera, he replies: 'Mary clearly wanted a public position and I think it's probably fair to say that the opera was the most prominent validation of that position.'

BEING THE CONSUMMATE HOSTESS, LADY Fairfax is acutely aware of the importance of seating arrangements at a dinner party. It's all about compatibility—and consequence.

Some years ago she was unimpressed, therefore, to discover that she had been seated at table 29 for the gala David Jones Fashion Awards at the Wentworth Hotel, instead of at table number one.

'Apparently there's been some mistake,' her secretary told David Jones when she called to complain.

'No,' the secretary was told, 'Sir Warwick and Lady Fairfax have specifically been seated at table 29 but if they would prefer table number one that can be arranged.'

'That's what they would prefer,' David Jones was told.

What David Jones failed to tell Lady Fairfax, however, was that table 29 was the head table for all the dignitaries. Table number one was next to the toilets.

That was one dinner fiasco. There was another that said much more about her standing in the company, John Fairfax Ltd, than it did about her place in society. It was the 1982 *The Sydney Morning Herald* Service Awards dinner. The then editor-in-chief of the newspaper, Chris Anderson, was drafting the list of who should sit at the top table. He put Sir Warwick and Lady Fairfax's names down because, even though Sir Warwick was no longer chairman, it seemed only appropriate that they be included. He sent the list up to the 14th floor for management's endorsement. It never came. Instead, the list was returned to him with Lady Fairfax's name crossed out and these words next to it: 'No! No! We Will Not Have This Woman.'

There can be little doubt that the words and sentiments belonged to the general manager at the time, Greg Gardiner, and the chairman, James Fairfax. The message expressed an antipathy that had begun in the early days when the company was being run by Rupert Henderson and had continued more or less ever since through a succession of management executives who, in the words of one, saw Mary as 'brash, aggressive and a bit loud-mouthed'.

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Mary, however, saw herself as being excluded from a company that she wanted to be involved in and seemed, in some ways, to liken to personal property. She was heard on many occasions referring to *The Sydney Morning Herald* as 'my newspaper'. On one occasion, she informed the Fairfax office in New York that she wanted to charge hundreds of dollars worth of personal items to the company. A senior executive was forced to intervene and remind her that this breached public company regulations.

More recently, Peter King, while still chief executive of the company, incurred Lady Fairfax's displeasure by insisting she pay market price for a company Rolls-Royce which had previously been Sir Warwick's company car.

'Mary thought that was outrageous,' says one well-placed source.

As far as Sir Warwick and Lady Fairfax were concerned, their grievances against the company were—individually and collectively—manifold. They had begun with the share transfer back in 1959 and multiplied when James Fairfax, Sir Vincent Fairfax and Rupert Henderson joined forces to remove Sir Warwick once and for all in 1976. They believed he was no longer performing in his job. James Fairfax and his father uttered hardly a word to each other for the next four years, until Lady Fairfax hosted a reconciliation dinner.

Vic Carroll has written that the initial share transfer amounted to a 'declaration of hostilities between Henderson and Mary Fairfax, the start of a 28-year siege between Fairwater and the company's top executives, including James Fairfax, which culminated in young Warwick's takeover of the company in 1987'.

A former senior Fairfax executive says: 'They [the other Fairfaxes] didn't act with total decorum. They really did try to snub this grasping frock owner from Broken Hill . . . And also she thought that Sir Warwick was badly dealt with (and I'm not sure that's not right) . . . So Mary had a lot of getting even to do.'

LADY FAIRFAX IS PORING OVER her photos identifying all the members of the Fairfax tribe with zeal: 'Here's another. That's obviously a birthday. That's Caroline, Sir Vincent, James and Sir Warwick. I mended those fences. Here, just here, see that. And here's another one. This is not just isolated . . . Can you imagine that I . . . could have a feeling of revenge? I felt a little disgusted. For two years, I couldn't see them. But revenge? It's so out of character for me because it's stupid. I don't know how to feel it.'

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According to Trevor Sykes, author of *Operation Dynasty*, the first book published on the takeover of John Fairfax Ltd, Sir Warwick was like a 'wounded tiger' after being ousted from the chairmanship. Mary, however, was said to be even angrier because of the damage this inflicted on her social position. 'The dragon's teeth had been sown,' Sykes wrote, 'but they would take some time to mature.'

In 1984, the general manager, Greg Gardiner, proposed a complex share preference scheme in order to finance a much-needed expansion program for the company. Sir Warwick received advice that the holders of these shares might one day have full voting rights which would eventually dilute family control of the company. Although the scheme was abandoned, it reconfirmed for Sir Warwick and Lady Fairfax that management couldn't be trusted. Gardiner was cast as the villain in endless conspiracy theories, the most prominent one being that he was in league with Robert Holmes à Court.

This, then, was the atmosphere in which young Warwick Fairfax was being raised at Fairwater. It was almost as if his home had become an incubator of resentment and mistrust. 'Anyone who knew old Warwick and Mary knew that there was a rank paranoia that existed in the Fairwater family about the rest of the family and Fairfax management,' says one former senior Fairfax executive.

Says another: 'She filled him [young Warwick] up with a lot of nonsense about Sir Warwick Fairfax. Sir Warwick was an enigmatic, strange, austere, diffident, quite intellectual character. Mary, who came from a different background, didn't really understand that . . . and so in her mind, poor old Sir Warwick came out as a bloody mixture of Randolph Hearst and the Pope. It was ridiculous. A lot of that was put onto that poor bloody kid.'

Also stored away in young Warwick's psychological baggage was the notion that the company's flagship, *The Sydney Morning Herald*, was his birthright.

According to Lady Fairfax: 'That's just a lot of nonsense.' Well, not according to many of the people spoken to for this article: 'Tell [the guest] what you're going to do later on in life, darling,' a friend recalls Mary saying when seven-year-old Warwick ran into the living room one day.

'I'm going to be the chairman of John Fairfax,' little Warwick replied.

'Yes you are, my treasure.'

YOUNG WARWICK'S TAKEOVER OF JOHN Fairfax Ltd stunned the financial community, not only because of the amount he borrowed to do it—\$2.5 billion—but because he pursued it even after the

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sharemarket crash of October 19, 1987. What's more, young Warwick was going to head the company anyway in due course—all he had to do was wait his turn. In the words of one media analyst, his privatisation bid was 'a cock-up in the beginning, a cock-up in the middle and it will be a cock-up in the end'.

Too true. As this article was going to press, the company that Warwick and his mother by then solely owned was placed in receivership with debts totalling \$1.7 billion. The day after the company's demise was announced, Lady Fairfax told *The Sydney Morning Herald* that she planned to continue life as before.

'I have always worked hard and I have always tried to help people,' she said. As for her son? 'I do not know what is left for Warwick. It depends on what the banks do. I cannot see anything at all.'

Over the past three desperate years, Lady Fairfax has continued to contradict herself on the takeover. In August last year, for example, she issued a statement claiming that she had always been opposed to it. One year earlier, however, she told *The Bulletin* that her son had 'made the right decision'.

Earlier still, on October 20, 1987, one day after the spectacular sharemarket crash, Lady Fairfax had a note delivered to Warwick at the Regent Hotel asking him to call off his bid. 'Please don't do it,' the note said. 'Please stop being influenced by [Martin] Dougherty. It's very bad. Just withdraw.' Warwick reportedly threw it in the rubbish bin.

Two months later, Lady Fairfax hosted a celebratory dinner in honour of young Warwick and his takeover team. At the time, it might have looked as though she had every reason to celebrate. She had just cut a deal with her son that, among other things, required him to pay her about \$55,000 a week—indexed for inflation—for the rest of her life.

Today, Lady Fairfax completely absolves herself and Warwick of any responsibility for the fiasco that has befallen a distinguished, 150-year-old company. Instead, she blames her erstwhile friend, Martin Dougherty, the former journalist and public relations man whom she introduced to her son and who subsequently helped stitch the takeover deal together.

'To think that Warwick would have initiated this is just nothing short of nonsense,' she says. 'Warwick is no Murdoch or Packer . . . He's shy. He's still desperately shy. He doesn't seek revenge . . . It was controlled and initiated by Dougherty. I didn't know [about it]. But my track record would have stopped it happening had I known. For this reason—I am a very moderate risk-taker.'

Later, when I contacted Martin Dougherty, he reacted with disbelief: 'Good heavens. That's just wrong. She worked tirelessly to get the takeover up. It was a cherished and long-standing ambition of both Lady

Mary Fairfax

Fairfax and her late husband, Sir Warwick, that young Warwick should come back from overseas and take his rightful place in the company.

‘Mary was quite vocal about the likelihood of the Fairfax management conspiring with a corporate predator like Robert Holmes à Court to take over the Fairfax group and rob young Warwick of his birthright. The takeover was sparked by their fear that Fairfax management and a predator would shut him out.’

The misgivings Lady Fairfax and her son had about the Fairfax management were intensified by the disastrous decision of early 1987 to purchase HSV7 in Melbourne for \$320 million, which, according to most observers, was about \$100 million too much. This evidence of the management’s folly, coming as it did just weeks after Sir Warwick’s death, meant they had both the excuse and the freedom to make their move.

Says another former senior Fairfax executive who spoke on condition that his name not be published: ‘She was 100 per cent behind it. I don’t doubt that after the crash she got cold feet, but before that she was pushing it with her spurs on.’

The evidence overwhelmingly supports these claims. Not only did Lady Fairfax encourage young Warwick from an early age to believe that the company was his rightful inheritance—one which she felt was being denied him through management treachery, incompetence or both—but also she introduced him to some of the people who could help him realise the goal of heading the company, including Martin Dougherty.

According to Dougherty, she also introduced Warwick to the corporate advisory firm Baring Brothers Halkerstone, who were to advise them both on the merits of the takeover. (Ironically, the same company, minus Sir Keith Halkerstone, was, before receivership, advising the banks how best to retrieve money from the John Fairfax Group.)

Warwick Fairfax was also introduced to Lady Fairfax’s friend William Simon, the former United States Secretary of the Treasury.

Although Simon and Lady Fairfax have since fallen out, it was Simon who helped line up the junk bond financial package that was to make the takeover possible. A big part of the Fairfax debacle has been widely attributed to Warwick’s wide-eyed view that debt-financing could solve everything.

Dougherty also confirmed to me that Lady Fairfax had explored for some years the possibility of an alliance with either Kerry Packer or Rupert Murdoch in an attempt to achieve her aims.

However, young Warwick denied on oath in 1988 that his mother’s discussions with Murdoch included the concept of privatising John Fairfax Ltd.

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More recently, Lady Fairfax sent out feelers to the giant US corporation Advance Publications, Inc (owners of, among others, Condé Nast Publications) to test their attitude towards becoming equity partners in the John Fairfax Group. Lady Fairfax denied approaching anyone, claiming it was not her role to do so. This denial is untrue.

John B. Fairfax, young Warwick's second cousin and, at the time of the takeover, deputy chairman of the company, is scathing about what he sees as Lady Fairfax's role in both the family and company fortunes.

'I was especially hurt [by Warwick's bid],' he subsequently told the London *Observer*, 'because I had a good relationship with Warwick and the potential for harmony in our family had never been greater. The only reason we split was because of his mother. She was always hypocritical in her dealings with us, talking about family love and all that bullshit. Ever since she put her beady eyes on Sir Warwick, this is what she wanted.'

Lady Fairfax retorts in kind: 'Let's look at the reason why John feels like this,' she says. 'My marrying Sir Warwick and producing a male child . . . blocked him from being chairman. If I had produced a female child, I would have been looked at with great favour. Isn't it logical?'

'I saw John play tennis with Warwick when Warwick was 17. I never saw such a savage game. Not one point was Warwick allowed to win. John wiped him off the court. Warwick wasn't particularly good, but, you know, usually an older man lets a younger man win a point out of sheer pleasantry. Oh no. Have a look at the logic of it. Is there any other reason?'

AT THE TIME OF THE takeover, young Warwick Fairfax no longer lived at Fairwater—he had returned to Australia from the United States in 1987 brandishing a Harvard Business School degree, fundamentalist Christian convictions and a determination to free himself from his mother's lifestyle. 'If your mother had an intimate dinner party for 60 close friends every night, you'd want to move out, too,' he reportedly explained to a friend.

But he was still tethered to her through a complex system of companies and trusts. Though Lady Fairfax may say today that she was against the bid, there is no way her son could have seen it through without his mother's financial support.

Quite simply, if Warwick wanted to bid for John Fairfax Ltd, his mother's shares had to be mortgaged to the ANZ bank as part of the takeover financing.

Mary Fairfax

According to Trevor Sykes in *Operation Dynasty*, Lady Fairfax refused to execute documentation to allow those shares to be used until she was appointed a director of the company. She was reportedly hurt by her son's treatment of her at the Regent Hotel when he threw her note away and she was worried about her future now that the sharemarket had crashed. Lady Fairfax claims now that Dougherty stopped her from becoming a board member after Warwick had asked her: 'Mummy, you're so bright, would you go on the board?'

Martin Dougherty's version, however, is that Warwick resisted his mother's demands with these words: 'I want her as a mother, not as a partner. She would drive me crazy on the board.'

There were also allegations that Lady Fairfax didn't entirely trust her son. During the celebrated court case of 1988, which saw many of the protagonists in this drama come together, lawyers for Martin Dougherty claimed that Lady Fairfax had prevailed upon Sir Warwick to change his will, partly because of 'her distrust for her son, Warwick'. (The allegation was never proven because access to Sir Warwick's will was not granted. Lady Fairfax says now that her husband left nothing in his will except a gold watch. All his assets had been distributed before his death through trusts.)

'He [young Warwick] could take Harrington Park away from me and throw me out into the street,' she had allegedly told Dougherty.

'He won't do that,' Dougherty had replied.

'A girl's got to protect herself,' Lady Fairfax had allegedly countered.

The deal Lady Fairfax and her son agreed on to protect her interests amounted to a personal cheque for \$3.9 million; a guaranteed income of \$2.9 million a year thereafter for life, tax free and adjusted for upward movements in the consumer price index; the Grand Hotel in Hunter Street, Sydney, and outright ownership of Harrington Park. (Lady Fairfax also owns the 2GB building and other real estate in Sydney's eastern suburbs.)

In return, she agreed that Warwick could use her shares in the family company, Rockwood Pastoral Company Pty Ltd, for his takeover bid and that he could have a further option over her shares in her own private company, Acrux Holdings Pty Ltd.

One year later the agreement between mother and son had to be renegotiated in order to secure the refinancing of the takeover. Lady Fairfax received nearly \$30 million from Warwick for her Acrux shares.

She also agreed to exchange her shares in the Jones Trust (which controlled half of Rockwood) for non-voting B shares in the new John Fairfax Group Ltd. These B shares represented 25 per cent of the company and, in the event of liquidation, assuming there was any money left over

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after creditors had been paid out, their owner would be entitled to \$150 million.

'She screwed him,' says Vic Carroll. 'There's no doubt about that.'

Lady Fairfax insists, however, that by agreeing to these financing arrangements, she forfeited much more money than the company was giving her after the takeover.

Why then didn't she kill the plan stone dead by refusing to allow her shares to be used?

'Warwick was determined to go it on his own so no-one could interfere with him,' Lady Fairfax says. 'Do you think I wanted my shares to be used? Do you think it was voluntary? I did something which was inimical to my interests . . . I told [Warwick] I didn't want to do it. I was a cautious risk-taker.'

'Warwick made it clear to me that if I didn't support him, I would be letting his father down and supporting Holmes à Court,' she recalls. 'If it wasn't someone who was tied to me by blood . . . I find it difficult to refuse my children.'

She estimates that had she joined other shareholders in selling out during the takeover, she would have stood to make \$180 million. But there is a catch 22 to this estimate: it is based on the ludicrously high share price Warwick offered for the company. The fact is, the takeover couldn't have gone ahead had his mother insisted on selling—Warwick couldn't have afforded to pay her out.

Warwick Fairfax declined to be interviewed for this article.

Three days after our interview, Lady Fairfax telephones to throw more light on the picture. She begins to cry. 'I didn't come into [the Fairfax family] to do anyone any harm,' she says. 'I fell in love with my husband because he was the only one who ever reminded me of my father.'

'I have been painted in the paper as someone I don't recognise and so Father Costello from Riverview [St Ignatius College, a Catholic boys' school] has been coming around every day, praying for me and lighting candles. You need all the support you can get when people malign you every day.'

THE SYMBOLS OF LADY FAIRFAX'S shattered dreams are spread out across the sofa and coffee table. She is sifting through her letters and Christmas cards with their selected parables on Work, Fun, Love, Faith and Hypocrisy. Some of these cards bear poems she has penned herself, such as *Looking for an Elephant (Apologies to A.A. Milne)*, but she begins to read instead from Rudyard Kipling's poem, *If*. She believes it says it all.

Mary Fairfax

*If you can trust yourself when all men doubt you,
But make allowance for their doubting too.
If you can wait and not be tired by waiting
Or being lied about, don't deal in lies . . .*

Photographs of young Warwick are balanced on her knee: Warwick in the bough of a tree playing a violin. Warwick baking bread. Warwick on the beach. Warwick on a bicycle. Warwick in the Bentley. She has gathered these mementos to demonstrate the love of a family, yet there seems a chilling absence of it in this house. Many in the Fairfax family don't speak to her; her relationship with her first son is still extremely fragile, and with her second son almost litigious.

There have been strong rumours that Lady Fairfax has removed Warwick as trustee of one of the family trusts and that she has been considering legal action against him. According to well-placed sources, she feels she was not able to sell her stake in the company when she wanted to. She also, reportedly, believes her son has subjected her to 'oppression and duress'.

When asked about this, Lady Fairfax says: 'I am not here to rebut gossip.'

The grand plan has gone horribly wrong, though. The boy who a mother dreamed would become the great media baron his father was, is now called a 'nerd' in *The Sunday Times* of London and pilloried even on the pages of *The Sydney Morning Herald*, where he seems to be regarded with a mixture of pity and contempt.

'Impossible to get him to make logical decisions,' said the out-going chairman of the company, Bryan Kelman, last August. It was reported on page one.

Now the company, valued at \$1.2 billion, has been placed in receivership. But its debts mean that Lady Fairfax's and her son's shares are virtually worthless. There has been talk of them retaining a 5 per cent or less holding in the company, perhaps in the form of a deferred equity scheme. The banks are even said to be talking in terms of \$2 million nuisance money, just for them to go away quietly.

'The banks might take the view that it is worthwhile paying her something to shut her up,' says one source with knowledge of Lady Fairfax's financial affairs. 'She can be a very irritating burr under the saddle. However dilettantish she may act and appear, when it comes to the dollar she has got an iron-clad brain.'

While the collapse of the company will hardly see Lady Fairfax joining a soup kitchen queue—despite her claims in December that she was

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unable to pay the \$347,000 land tax due to the State government for Fairwater—she is nonetheless taking steps to protect her assets. Weeks before the company went into receivership, she moved Fairwater's fleet of Rolls-Royces out of the John Fairfax garage. She also reportedly sent furniture from Fairwater to New York to furnish her other home, an apartment at the Pierre Hotel, although she denies this.

Disasters strike, visions fade, then they reform more clearly and brightly in another part of the world, away from the wreckage. Perhaps Lady Fairfax's three floors at the sumptuous Pierre could become New York's newest and finest salon.

Perhaps she could become New York's unofficial Australian ambassador, a follow-up to her role as honorary consul for Monaco here. Perhaps she dreams of becoming the talk of Manhattan, the toast of Le Cirque restaurant, the new Fifth Avenue society queen—anything but the woman behind the boy who turned a national institution into a smoking ruin.

Postscript

Lady Fairfax never became the New York society matron she aspired to be. Her penthouse at the Pierre, which had formed such an integral part of her American dream, turned out to be an expensive white elephant. It was almost sold in 1997 for US\$32.5 million, nearly US\$20 million less than the amount she'd been seeking. In early 1999, it was still on the market, for US\$28 million.

Because of declining health, Lady Fairfax was spending less time on the Sydney social circuit. In 1996, she announced that her Double Bay estate, Fairwater, was to be given to the nation after her death and administered by a seven-member trust.

Meanwhile, Warwick Fairfax continued to live a quiet, Christian life in Annapolis, Maryland with his wife, Gale, and their three children. He was working as a financial analyst.

By the end of 1998 the company he and his mother left behind had seen its 10th chief executive in 11 years walk out the door or be sacked. Kerry Packer, the family's long-time nemesis and the man whom both Warwick senior and Warwick junior wanted to keep out, was a principal shareholder, and his former right-hand man at Consolidated Press, Brian Powers, is chairman of the company.