

The Roy H. Park Distinguished Lecture
Roger Ailes, Chairman and CEO, FOX News
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Participants:

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Susan King: Hello, and welcome to the 23rd Annual Roy H. Park Distinguished Lecture. I'm Susan King. I'm proud to say I'm the Dean here of the School of Journalism in Mass Communication at Chapel Hill, and this is my first Park Lecture. So, it's an exciting one for me.

Tonight, we're going to be hearing from one of the most influential media executives in our country, Roger Ailes, the CEO of FOX News. I want to tell you about our format, it's a little bit different than the usual lecture. We are going to have Mr. Ailes give the lecture, and then we're going to have two of our best young journalists interview him immediately following his remarks, sort of Oprah style. I'll introduce you to them a bit later. We're showing off. We're showing off our talent.

But before Mr. Ailes talks, I want to have a word about Roy Park Jr. You may not know that much about him, but he was a native North Carolinian, a public relations wiz, a communications entrepreneur, and a media mogul. His entire career is a good story, but I'm just going to share one of them with you. Roy Park left North Carolina for the cold of Ithaca, New York, and a great Ag school of the North, Cornell University. He had been very successful as a marketing man, PR man with Ag products here in North Carolina, and they wanted him up North. So, there was a brainstorming session at one point and Mr. Park argued that they needed someone to personify quality foods in order to move the food cooperatives around Cornell forward, to make a real mark, build a bigger market. Essentially, he said they needed a brand, and that was before we were talking about brands.

So, Roy Park said, "You know, we need someone like this guy who's doing restaurant reviews all across the United States. He goes to big cities and small cities and tells you what restaurant to go to." So, he called that guy, and that guy was Duncan Hines. And he got Duncan Hines to partner with him and the food co-ops up North, and voilà Duncan

Hines the brand was born. A few years later, Procter & Gamble bought Duncan Hines and Roy Park became a very rich man.

He bought radio and television stations around the country. He later bought newspapers all across communities in his beloved North Carolina. Communications, you can say, was Roy Park's life. And as we say today, it was his life on every platform. He did not go to UNC, he went to another university here, but luckily for us, his son, Roy Park Jr. did, and he met his wife Tetlow here, and their son Trip and their daughter Elizabeth both are UNC grads.

And this school has been blessed by the family in many ways. The Roy Park family philanthropy is focused on values that Roy Park Sr. believed in. Quote: "A commitment to democracy and free enterprise, to religious liberty and freedom of thought, and to broad access to education and employment."

I hope you will all join me right now in offering a salute and a very warm round of applause for Roy, Tetlow and Trip. Would you all stand so we can thank you?

[Applause]

And one last word about the Parks. This lecture, which is prestigious, of course, is only a small part of their commitment to the school. Since 1999, they have made it possible for young journalists and young communicators to pursue both masters and Ph.D.s as Park Fellows. There are now more than 300 individuals who have had lives that have been changed by the Park Fellowship. They've been given access to ideas and innovation and a big future.

I want to have a couple of people stand at this moment, of course, the Park Fellows, but don't stand up right this moment because I also want to say a thank you to the person who has led this graduate program for the last few years, Anne Johnston, who has helped to select them, nurture them, and send them off to bring the UNC spirit to campuses around the country. Anne, would you stand? Where is Anne? There she is, Anne Johnston.

[Applause]

And now, those Park Fellows who are here, the graduate students and the Ph.D.s, I want you to see the faces, the future leaders of our business, please stand.

[Applause]

Because I think these are some of the people who will be changing our business, and who knows, they may be the next Roy Parks. If you are, we want your money back here, too, remember that.

Now to our speaker, Roger Ailes. He has a story that has some echoes of Roy Park's. Roger Ailes was born in Ohio and he graduated with a degree, told me today, fine arts, but it was also radio and television, from Ohio University. He is a television impresario, a political operative who has been center stage in the American story since the 1960s. Mr. Ailes likes to say he and TV grew up together. As a child during a long recuperation after a car accident, he mainlined 1950s television, and his first job after graduation from Ohio was *The Mike Douglas Show*, a talk variety afternoon TV staple of the 1960s.

And he met a man, a politician during that time, backstage, and that man's name was Richard Nixon. And as a young -- he was 25 at the time, he was an executive of *The Mike Douglas Show*, and the story at least goes this way. Ailes told Nixon who had lost to President Kennedy and had not done a very great job in TV debates, Mr. Ailes said, "You were terrible on television and you are terrible on television." So, Nixon hired him to help improve his TV persona and soon after that, he was elected President.

Mr. Ailes also worked for Presidents Ronald Reagan and George Bush, the father, and then he returned to television. He shaped CNBC, *America's Talking*, and the highly successful and controversial FOX News. Television staples as diverse as Sean Hannity and Chris Matthews credit Ailes with their careers. And in this time of massive media dislocation, FOX News is making profits, huge profits. Last September, FOX recorded a profit margin of 40 percent, that's more than double digit, that's 40 percent. FOX and the FX channel brought in 60 percent of the News Corp's profits. The small town boy from Ohio is reported to have made in the last few years either \$14 to \$23 million. Not bad. So, tonight I'd like to introduce our 23rd Park Lecturer, Roger Ailes, in his own words.

[Applause]

Roger Ailes: Thank you Susan. About the time I went to CNBC, I think you were at CNN. You were a great newscaster, and so I'm honored to be introduced by you. I will go back and not go to my notes for a second. *The Mike Douglas Show* is one of the early talk shows, and you used to book anybody who was in town. So, you could have Dr. Edward Teller and wrestling bears on the same show, didn't matter because they were both there and you had to put somebody on. And one day a member of my staff ran up and said, "Oh, my God." I said what's the problem? They said, "We've got Richard Nixon coming in the front door," Vice President Nixon, this was 1967, and we have Little Egypt, the belly dancer in the green room with a boa constrictor.

So, I said, "Look, I don't want to scare him, and I sure as hell don't want to scare that snake. So look, put one of them in my office." So, when I got back to my office, there was Nixon. I got into a bit of a discussion with him about television and losing elections, and somehow he had somebody call me in a couple of days and so I worked in that campaign, not in politics. I was -- now, if you read *The New York Times*, I was in charge of politics and the Southern strategy. I was actually in charge of key lights and backlights and cameras. But any rate, I've always wondered if they had put Little Egypt in my office, would I have had more fun in my career? [Laughter] It's worth considering.

I'm going to skip around a little bit like a guy who got a brain operation on a credit card he found in the parking lot, but I have a 12-year-old son now, so I'm very interested in education. We went through the last 25 years where they told all the kids they have to all get a trophy. Did you guys go through that? Anyway, there's a whole generation of people who think -- or still waiting for their trophy because they think they won something.

Recently, even at the grade school level, they're going back to making people actually earn grades. And I'm sure here, you have to earn your grades. So, I think that's gone away, but I do think self-confidence and self-esteem in students is critically important.

One day I was in my son's class, he was about seven, and it was an art class and the teacher was walking all around the room seeing what they were doing. And one little guy was just drawing for all he was worth, and teacher said, "What are you doing, Bennett?"

He said, "I'm drawing God."

Teacher said, "Well, nobody knows what God looks like."

And he said, "They will in a minute."

So, I think having self-esteem is really important, but actually being able to do the work is even more important.

First, I want to put a disclaimer here. Anything I say tonight is my fault; I don't speak for News Corporation, I'm not speaking for FOX News, I'm not speaking for Rupert Murdoch. I take full and complete responsibility because nobody else wants it, frankly.

I understand most of you are journalism students, is that correct? That's it? All right. Well, I think you ought to change your major because you're probably all interested in politics and you probably are going into journalism because you think you can affect politics. Well, maybe you can, maybe you can't. But if you're going in to affect it, you have to think about that, because you might want to go to political science where you can join a campaign, help elect who you want, push the issues you believe in. I'm uniquely qualified to talk about that because I did work in politics, made a conscience effort to quit, and did quit, walked away 20 years ago, and now, I run a journalism organization. And people say, "Well, you have no journalism degree, how dare you run a journalism organization? What are your qualifications?"

And as I said to *The New York Times*, I only have two. One, I didn't go to Columbia Journalism School, and two, I never wanted to go to a party in this town anyway, so there's nobody's rear end I have to kiss. If you're going to run a journalism organization, you better be independent. Now, I do guest lectures at many colleges or universities. Ohio University, what a game, huh? Soon as that overtime came, I said, "Man, it's not going to work out for Ohio." I actually saw it in the break. You could see there was no cohesion on the Ohio side, and you guys stayed tight, that was the difference.

I teach occasionally at West Point, or to West Point cadets, so I spend some time, a lot of time with students. I often ask people why they want to go into journalism. They tell me some version of it's because they want to change the world or save the world. I usually ask them what makes them think the world wants to be changed in the way they want to change it, which stumps them.

The younger journalism students tend to be more progressive. They believe we need to spend more money, taxpayer money on green energy. Maybe we do, maybe we don't. But that's not their job. The job is to report about green energy, the good, the bad, and the ugly. Up in Ridgewood, New Jersey, they just put solar panels on every telephone pole. Why they want to warm these telephone poles, I don't know. Nobody can figure out. So, we sent a film crew out to interview some of the people, and we said, "Did your energy costs go down?"

They said, "No, they actually went up a little."

And we said, "Well, why did they do this, because they're really ugly?"

And they said, we think it was to count the people who put them on there as green jobs, but don't worry, there's a lot of snow and ice in New Jersey, some will fall and they'll start killing people at bus stops and then they'll come out and take them down.

One-point-five or less percent of our energy today comes from alternative energy. Should we invest? Yes. Should we pretend it's going to solve our problems in the next 10 or 15 years? No. One-point-five percent.

So, that's a way to report that, but you have to report the real numbers and the real facts. So, if your point of going into journalism is to show how much you care, or how sensitive you are, or to affect the outcome of your personal desires, it's the wrong profession for you. If you want to bring world peace or save starving children, both very noble goals, the way to affect that as a journalist is to investigate why the United Nations is so ineffective at doing either of those, even though they get 22 percent of their budget from the American taxpayers. They seem to have trouble bringing peace, and they seem to have trouble feeding people. So, we need to question that.

I always tell my journalists, if there's something in your piece that you don't agree with, good. If there's nothing in your piece you don't agree with, you're probably doing a biased job. A 19th century etiquette book said it's improper to kick a newspaperman down the stairs simply because he has chosen to make his living in a disagreeable manner. General Grant wanted all journalists shot as spies. Critics say most injuries to journalists occur by them falling off their egos onto their IQs. I think it's a little rough because many journalists are fine, intelligent people. Hundreds are locked up or killed every year. I've had journalists kidnapped, beaten, it's tough out there. Many are smart, brave, competitive, and believe me, there are easier ways to make a living.

So, I want to talk a little bit about your course for the future. This is going to set the tone for the rest of your life. I'm currently working on a book about my life, and while I'd like to say to you that it was well planned, my mentor suggested the title be called *Fluke*. Not very flattering, but true. As opportunities presented themselves, I figured out how to get it done and I move on. I asked my mentor, "How did I get to be head of a network? How did this happen?"

And he said, "I've known you since you were 22 years old," and he said, "I heard the same words over and over and over." I'm going to tell you this because this will make a difference in how you succeed. He said, "Even people who don't like you, Ailes," and there were plenty, he said, "I heard the words, 'Get Ailes. Get him because he has ideas. He'll work until everybody else drops. He'll never quit. He'll come up with inventive ideas. And he won't suck the air out of the room while he's doing it.'"

So, if you're a person and they put your name next to "get," then the chances are, you're going to have a great career.

There are going to be tough times. Thomas Moore once said, "You must not abandon the ship in a storm because you cannot control the winds." The winds will blow. The change will come. The most important thing for you to learn is you must adapt the change. Journalism is changing -- you change every day. You're on this, you're on that, you've got input, you've got to make a decision, you do this, that. If you're not a person who can change, this is also not the profession for you.

Now, you're going to hear your country criticized. As a journalist, you must question your country. But you must also question the criticism of the country, which is rarely done. We live in a country where we believe individuals are innocent until proven guilty, but often don't give that same time to our country. So, we shouldn't get up every morning saying, "What did our country do wrong?" We should question the country and question the questioning of the country because after 235 years, it's small, it's young, it needs protection. Who better to protect it to the ones who actually enjoy the freedoms provided by this country?

Of course, America can be improved. Of course, we make terrible mistakes from time to time. But in the end, the United States has fed more and freed more people than all of the other countries put together. So, you must take that into account.

We have a historic, heroic history. Don't let people attack your traditional values if you have them, or your institutions that have been a beacon of light. American exceptionalism does exist because we believe in freedom. And you can tell this is a great country because everybody's trying to get in and nobody's trying to get out.

I just saw a story a few weeks ago on our air and I said, "Oh, this sounds like a really terrible country. Boy, this is awful." So, I called our desk in the newsroom and I said, "Have you got any pictures of the lines?"

And he said, "What lines?"

I said, "Well, god, if I lived in a country like that, they must be lined up to get out of here."

He said, "Nobody's trying to get out."

I said, "My point exactly. Nobody's trying to get out."

Another point. Don't let people talk you out of trying to succeed or make you feel guilty about making money. We have a responsibility to assist the poor, not just directly through charity, although that is a big responsibility, but by creating jobs and opportunities for them. If you have the ability and the spirit and you can create a business, as Mr. Park's done, others, that's a major contribution to society and a major contribution to poor people. Every major journalism company I know is run by a rich guy, and I like those guys. Every time I needed a job, I had to go to a rich guy. I love the poor guy; he had no job. I got a job. I tried to help the poor, okay? But I'm not going to let anybody divide me against the people who actually gave me the jobs. That does not seem very productive.

Don't be afraid of challenges. Much of your success will come from taking difficult situations head-on. When I started the FOX News Channel, we had six months. We had no studios, no talent, no programming, no news gathering, no shows, no staff, no control rooms, nothing. I was up against Time Warner; they had a 17-year head start with CNN. I had to take on Microsoft and GE that owned NBC. They had unlimited resources. They were launching MSNBC in July of '96. I said, "I've got to launch this year against them because if they get too far ahead, we'll never have room for three channels." So, I launched it in six months.

We passed both of those networks and for 10 straight years, we've not lost a single day to either one of them. We just completed 58 consecutive quarters of operating profit growth. In fiscal 2012, coming up here in June, we'll probably do \$1 billion in profit. The asset value is somewhere between \$12 and \$13 billion from an empty room in 15 years.

We've been 123 months through March 12th, 41 quarters of number one position in cable news, 10 and a quarter years. We have six shows that have maintained the number one position for over 100 consecutive months. The top 10 out of 13 shows are on the FOX News Channel. In primetime, CNN is number 31, MSNBC is number 23, and FOX News is number 4. In total day, we're number five, but MSNBC is number 26 and CNN is number 32.

Why is this important? And I'm not bragging. I got one talent. I pick good people. So, I have a staff that really puts it together, makes it work. That's my talent. Picking good people. Although, as some people point out, most of them are blond. It's not true. I asked my assistant that once because she said, "You know, you've been accused of hiring blonds. Your wife's blond. You like blonds."

I said, "Do I hire a lot of blonds?"

She said, "You get most of your on-air talent from tape and 95 percent of the tapes come in here are blonds because when women get into television, they dye their hair blond."

So, I said, "Oh, that's why we have so many blonds." So, anyway. It's not my fault.

But I tell you about these ratings because ratings bring in money, and that's how you get a paycheck. Oh, my god, a paycheck. You mean we're not doing this for some higher reason? Yes, you are doing it for a higher reason. But without the paycheck, you're not doing it at all. So, we've been able to put food on the table for our employees and we are the only news network that has not had any layoffs because of economic reasons. Why? Because we win. So, winning's not bad, but everybody doesn't get a trophy.

Your generation will determine whether the American way of life can continue. Don't waiver in telling the truth and don't fight for a tie. There's a disadvantage to winning. People will criticize you. They will particularly hate you if you beat them. Many of them are just pathetic people who think every kid should get the trophy. Some of them are actually untalented, vicious people who won't be able to stand the fact that you're more talented or work harder than they do and make more money. So, they'll say terrible things about you. You must be able to withstand that.

They will ascribe motives to you that they don't have and they will tell people what you think when they actually have no idea. A few practical pointers in business. The best advice I ever heard was from an old management consultant who died at age 96, Peter Drucker, who said -- spent his entire career writing about business and it came down to two words: the difference between activity and results. We're going to have a meeting, we care, we'll postpone, let's have a dialog about it, please send me a memo, is all activity. When a problem is solved, something is accomplished, that's a result. Don't ever confuse the two.

I have a friend -- well, he's sort of an alcoholic, he always knows when it's 5 o'clock for some reason, but he says, "I have all the money I'm ever going to need as long as I die by 4 o'clock tomorrow." He's not worried about money. That isn't how he defines success. You have to define it for yourself. When I was a kid, I thought, "Gee, if I could ever make \$20,000, I'd be rich." Now that's well below the poverty line. So, they keep moving the goalpost on you anyway. Don't focus on that. The money will come if you do the right thing and you use your talent well. Secret to jobs is find something you like to do and get somebody to pay you to do it. Then, you're doing what you like and you have the income you need.

I'm not a big fan of government confiscating more than a third of what we make. I think a third's fair. There's a lot of stuff to be paid for. I'm not just a big fan of that. I do believe greatly in giving to charity voluntarily. When I was young, I thought, "I'm never going to be happy until I'm successful," and it took me a long time to figure out I was

never going to be successful until I was happy. And so, I turned it around, and I'm having a great time with my kid and I'm happy.

I'm going to skip a couple things because I want these two young folks over here...

When I was a young man, I talked to someone who was faced with triumph and disaster. His name was Martin Luther King. I was doing *The Mike Douglas Show* and I had three encounters, I would say, with him. And in two of those, he was sent to my office to wait to go on the air and so I had a chance to sit and chat with him. He was a very brave man because he knew that he could die. He was under tremendous pressure to lead a violent revolution and he refused to do it. He said we'd change the country peacefully. He lost his life doing it. But, he's gone down in history as a great man.

Always respect the people who want peace and will risk their own life to get it. If you watch FOX, you know we do a lot with the military because we have a lot of regard for the people who put their lives on the line. They are warriors who don't want war. It's actually not in their best interest or their family's to have war. But they are willing to die for peace if it comes to that. And so, we need to respect that group. That's one of the reasons I go up to West Point, work with them on the media and the military. They've chosen a profession to protect the peace. They defend the Constitution, which was written to protect us from government. That's why it was written. Everybody who wrote it came from countries where the government got a little too oppressive. There's only one job protected in the Constitution, journalists. They actually decided, "We're not going to take cake decorators or doctors, we're going to protect journalists because they are in place to protect us from an oppressive government, from things we don't need or want, from staying in power too long so they can have power."

People who came to this country came from places where the government showed up in the dark of night and took away their family members, took away their possessions, and took away their dignity. The Constitution was written to protect our freedoms: speech, press, freedom to openly practice our religion without the government telling us where or when we can do it. There's nothing in there that says you can't pray in an end zone or a Dairy Queen. It says you really can't interfere with people's right to express their religion at all.

The press was set up to keep an eye on this government. Thomas Jefferson said it, if it were left to me to decide whether we should have a government without newspapers or newspapers without a government, I'd not hesitate for a moment to prefer the latter. So, when the press becomes subservient to the government or falls in love with politicians or neglects their responsibility, journalism has to act as a watchdog, not a lapdog, not an attack dog, but as a watchdog.

While freedom of the press is a central pillar of democracy, freedom of the press did not invent democracy. Democracy is the structure, the support, the cradle for freedom of the press. So, democracy depends on freedom of the press. But freedom depends on fairness in the press. There has to be more than one point of view.

When I started FOX News in '96, I wrote the following mission statement. I wrote it the morning we launched. FOX News is committed to providing viewers with more factual information and a balanced and fair presentation. FOX believes viewers should make their own judgment on important issues based on unbiased coverage. Our motto is we report, you decide. Our job is to give the American people information they can use to lead their lives more effectively. And our job is to tell them the truth wherever the truth falls.

Now, I'll tell you something that will surprise you. In 15 years, we have never taken a story down because we got it wrong. You cannot say that about CBS. You cannot say that about CNN. You cannot say that about *The New York Times*, and the mainstream media won't report it, but that is the fact. We've lived with this bull's-eye on us for 15 years and our journalism actually is very good. Now, when you watch it, some people say it's too conservative. So, they look at it, they don't understand. We have journalism and you have talk shows, and all cable news -- CNN has talk shows, MSNBC has talk shows, Rachel Maddow has a talk show, Sean Hannity has a talk show. That's fine. That's not the actual journalism. Shep Smith, the wheel that runs during the day, the news stories that break, that's the hard journalism. And somebody said to me, "Well, don't you work for that kind of conservative FOX News Channel?"

And I said, "Let me ask you a question. Are you comfortable with CNN?"

They said, "Yes."

I said, "What about MSNBC?"

"Oh, they're great."

"ABC, NBC, CBS okay?"

"Yep, fine."

"PBS? NPR, great?"

"Yep. Great."

"*New York Times*, *Washington Post*, *L.A. Times* fine?"

"Great."

So, I said what you're really telling me is that there's a little cable channel over here that's driving you nuts because it won't line up with your worldview. Don't you think it's valuable to have at least one little voice in the wilderness that might differ?" I said, "Remember, the last time all of us got lined up together, they lined it by two guys. Hitler and Stalin."

So, if there's an alternative point of view, don't wet your pants. Suck it up and say, "Hey, there's room for everybody."

Now, four things I tell my people, if they want a great career, they have to do these things. If they don't do them, they will fail. One: excellence. Requires hard work, clear thinking, application of your unique talent. A desire to do better every day at your job is the cornerstone of a great career.

Integrity. Nothing is more important than giving your word and keeping it. Don't blame others for their mistakes, don't take credit for other people's work. Don't lie, cheat, or steal, people always figure it out and you never get your reputation back.

Three: teamwork. Our common goal is to win. Teams go to the Super Bowl. Volunteer to help somebody else when your job's finished, ask for help if you need it, solve problems together, give credit to the others, and remember, loyalty is a two-way street. Don't expect it if you don't give it.

And the last is attitude. Attitude is everything. You live in your own mind. If you believe you're a victim, you will be a victim. If you believe you will succeed, you will. Negative people make positive people sick. And all progress depends on positive people. So, with that last note of attitude and hoping you have a good attitude so you're really nice in your questioning, I'll thank you all for allowing me to speak tonight at this great institution.

[Applause]

Susan King: I forgot to tell you, we gave you all 3x5 cards because we're doing sort of the National Press Club style. Want to make sure the questions from the audience after our young journalists ask them. And I just think there's one word: provocative. I assume you have some good questions out there. I'm going to get them, they're going to collect them and we'll take them afterwards and I'm going to ask as many as I can. I'll try to put together some of the ones that may have some of the same themes.

So, let us introduce you to two of our best who are going to start us off to the questioning. Eliza Kern is a senior, sort of blond, I notice. And I'm getting blonder in every year. I started out dark. A Morehead-Cain scholar, Eliza is a political science major. She has served as the editor of *The Daily Tar Heel*, and this year has been the managing editor at Reesenews. That, of course, is the digital news innovation lab here at the journalism school. She spent last summer in that state that was very important in January; it's called New Hampshire.

And Steven Norton is the editor-in-chief of *The Daily Tar Heel*. That, of course, is our independent newspaper here in Chapel Hill. He was managing editor and copy chief, and assistant university editor before this current job. He is going to graduate with a B.A. in comparative literature. He has a minor in business journalism and Spanish, so that makes him eclectic enough to start us off tonight. So, Steven, you have the opening question.

Steven Norton: Great. Thank you so much.

Is this on? There we go. Okay, so I guess, just to get a framework at the beginning, particularly with talk shows, one thing that we see that FOX does very effectively is maintain a consistent and recognizable editorial voice. So, how would you describe that voice and how do you make sure that it's preserved within the institution?

Roger Ailes: Well, first, I separate out news from programming. If you're talking about programming, we noticed that all the talk shows on the other networks basically had progressive or liberal talk show hosts. We have one conservative on FOX News, Sean Hannity. Quite open about it, that's what he is, that's what he does, that's his framework, that's where he comes from. Others tend to be libertarians or populists or you can't really tell.

We actually believe in freedom of speech and we have many, many liberals on FOX News. Geraldine Ferraro, for instance, who became a good friend of mine, passed away recently, was there for 10 years. We have a man running for president, Evan Bayh of Indiana. We have Sarah Palin and we have other people, Huckabee and so on.

So, we don't think that people's political views disqualify them from being on television. We think an open dialog is really important. I just hired Jesse Jackson's daughter recently as a voice because we don't fear aggressive debate. Now, if you really want to go through it and look at our competitors and ask what conservative voices they have, I'd be interested, but I know that our list is about four times longer than theirs. So, I think the best way to describe it is everybody gets to speak and we've never turned down somebody because of a point of view.

Eliza Kern: So, I guess my question is, you talk about journalism school and the reasons for going to journalism school and that your qualifications stem from you not having attended journalism school. So, I guess, for those of us -- actually, I'm not in the journalism school, but for those of them who are, what do you think is the most important thing for the school to be teaching students to prepare them for the new kind of media we're looking at?

Roger Ailes: Well, I joke about not going to journalism school because we did send one of our women, who shall remain nameless, to the Columbia journalism school and she called me after three weeks and she said, "I don't agree with the professor. I tried to write it and he's flunking me, basically, if I don't go along with his point of view. What should I do?"

And I said, "Do you want to get thrown out, or you want to get this degree and come back and do work?"

She said, "Well, I want to get the degree."

I said, "Well, you're going to have to suck it up, give the professor what he wants, get the job, and then you can do what you want in real life."

Well, that was Columbia. I don't think all journalism schools are like that. I know many that aren't. I'm sure this one is not. Look, free expression and pushing the limits of your talent, being able to move very quickly, put stories in context, understand what a good story is, remember bias is not necessarily what you write in the story, maybe what you leave out of a story, maybe what you refuse to cover. I don't know that we've ever, ever refused to cover a story because of its point of view, whether it was George Bush in Abu Ghraib, we did 16 days of those pictures and horrible stuff. But we get criticized if we do certain things.

The most important thing you can teach a student is to remain fearless because journalism's getting tougher. The world's getting tougher. The regulations for almost everything are getting tougher. You may think regulations are good because they protect your health and safety. Many of them do. But, I guess if you look at the state, local, township, county, federal level, there have been 80,000 new regulations passed in the last three or four years. Those are all things you can't do. So, you don't want to get to the point where some day, some guy knocks on the door and says, "I don't like the way you voted. Go to page 435 section A item 2, you just broke a regulation. Come with us." That's not what you want.

So, it's up to journalism to make sure we don't tie ourselves up into something we don't want. And journalists are going to have to remain fearless and it may mean you may not get invited to certain cocktail parties. I happen to be a guy who doesn't drink too much, so never bothered me not to get invited. But, there are people who are desperate to get to the White House coffee or desperate to get the Radio TV Correspondents dinner, or desperate to get an interview with an important person. That turns my stomach.

I think teaching independence and fearlessness, speed, structure, and good writing are the best you can do.

Steven Norton: Moving on to what you talked about when you spoke about FOX News being very profitable and then also having a desire to win. And so, particularly with FOX Business Network, which is up on its almost fifth year now, how is it doing financially? How much money is it making, if any? And do you think that it will ever surpass in viewership CNBC, which you ran before?

Roger Ailes: Business news is a small niche. I ran CNBC for two and a half years. The FOX Business Network -- well, first of all, FOX News itself, people forget, didn't become profitable until the sixth year. So, it's not surprising that FOX Business is where it is. Everything in cable is how many homes do you have? What is your roll out on the cable systems? We have about 58 to 60 million homes. CNBC has 90 million. We spent \$800 million to buy coverage for the FOX News Channel. We spent \$150 million to buy coverage for the FOX Business Channel, so we're not quite there yet.

At the same time, I was supposed to get a \$3 million bonus in June of this year, two months from now, if I could break the FOX Business Channel even by that time. That was the original business plan. I broke it even in June of 2011. So, I could afford to come and see you today. So, I broke it even a year early. It's actually cost-neutral at the moment and everything I run, FOX News Channel, FOXNews.com, FOXBusiness.com, 20th Century FOX syndication, 27 television stations are all profitable. I don't run -- even FOX Mobile, I don't run anything in the red because my job is to keep those people employed and to reinvest money in the business, and that's what I try to do every day. So, it's doing pretty well.

Eliza Kern: I just wanted to ask you about, in 2008, you bought a small town newspaper in Putnam County, New York, and I was just wondering if you could talk a little bit about maybe the differences between running a small community newspaper and obviously, a national network, if you feel a different sense of connection to your readership or how that changes things?

Roger Ailes: Well, my wife and I actually bought the paper together. Those assets have been transferred to my wife. She now owns them, she's the publisher, we have a staff up there that puts the paper together. I don't run it, I don't own it, and I don't even read it until Saturday, or if I get up there on Saturday and she wants me to read an article, she sent it to me. But I really am a guy who, you know, I'm busy doing my daytime job. So, I don't really have that.

I do think community newspapers are critically important. It's hard to make any money with them, but we're not trying to make real income, we're trying to keep the staff employed and break even. We're doing that. But they're tough, they're very tough. On the other hand, if you're in a market that you're not overridden by a major media market, in other words, if the local farmers market, the local funeral home, or whatever has to use your paper to get their advertising out, then you'll have probably a profitable paper. If you're in a market that you're overshadowed by a media market, they can put their money into radio, or TV, or something else, they might, there may not be enough money to go around. Right now it's tough. Everybody thinks there's an economic recovery coming, but the people in Putnam County don't seem to be saying that yet and we don't see it.

Steven Norton: So, FOX experienced a lot of successful ratings during the Obama administration, and occasionally, it's been criticized for being anti-Obama. So, that's looking at your talk shows in particular. How do you think a Republican President might change your strategy for that or your viewership?

Roger Ailes: Not at all. We went all through the Bush administration; we got stacks and stacks of letters from Republicans in the Bush administration saying we were being unfair to them. If you're not getting any letters saying your unfair, you're probably not doing your job. But, no it actually won't change any strategy. We're going to report what the news is. If there's really a lot of bad news it could make it look like we're against the guy, but that's not the truth, we're just trying to point out the news.

We had a recent kerfuffle with the Supreme Court. The under-reported story was that during that time the Muslim Brotherhood made a visit to the White House, walked out with a billion and a half of your tax dollars. I didn't see that anywhere. We reported both. Oh, we're negative. Those are both facts. What do we do? Report it or not report it?

By the way, the Muslim Brotherhood believes in Sharia Law, which means you can bury a woman up to her neck and stone her to death because she's talking to a guy on a street corner. We didn't hear much from the women on that. But I'd be reluctant to give money to guys like that, personally. But since my job's not to make the decision, my job is to report what happened, that's what we do, and let the people make up their own minds. Now, if people refuse to report that, again, is up to the people.

Eliza Kern: So, Mr. Gingrich said the other day that he believes that CNN is less biased than FOX News, and he said that the reason that Mitt Romney has been successful is that because FOX News has decided to support Mitt Romney. Now, obviously, there are lots of reasons why you might say Mr. Gingrich's campaign has not been successful, but I was just wondering if you could...

[Laughter]

Roger Ailes: You think?

Eliza Kern: But, I was wondering if you could characterize the relationship between FOX News and the Republican candidates through this run? Obviously, you've had some of them as commentators, I wonder if you'd talk a little bit about that.

Roger Ailes: Look, Newt is trying to get a job at CNN because he knows he isn't going to get to come back to FOX News, so he's dumping on FOX News. Now, think about what he's saying. Since he's sucking up to CNN, okay, fine Newt, I understand you've got to find work soon.

Here's the problem with that; you would say that Newt was the conservative candidate, along with Santorum, right? So what's he saying? FOX News wasn't conservative enough for him. Gee, that's kind of refreshing. Remember what I said about people who blame other people for their failures or losings? I don't know.

Look, Presidential campaigns are brutal, they are bruising, and everybody who loses, loses their mind. Do you think Al Gore -- I mean he's out there where the buses don't run sometimes. It's hard to lose an election; it's hard to lose the Presidency. You get fantasies at night of flying around in that big plane, and all of a sudden, they take it away from you. So, you're upset for a while. I would say all candidates are upset. I don't hold it against Newt for saying that, it's not true. He knows it. We don't have any special relationship -- we have a guy who believes that I picked all the Republican candidates because I wanted to control the election. That's nuts. Number one, the ones I picked,

Sarah Palin had no chance, right? After Vice President elect -- did anybody think she had a chance to be President? Anybody in here? Okay. Oops.

Newt Gingrich. Newt Gingrich couldn't get anybody he worked with in Congress to support him, remember? A little bit of a problem. Rick Santorum, anybody ever hear of him until about six weeks ago? He lost his own state by 17 points. I didn't pick him because I thought he was going to be President to be on FOX News. But he represents a certain niche of conservative values that need to be expressed.

They're all good men. I mean I know all of them. The one I didn't hire was Romney. I thought he actually had a chance. I thought if Chris Christie got in, he could, Jeb Bush got in he could, there would be other people. And Obama, it's very hard to lose an election if you're an incumbent. So, the likelihood is the incumbent tends to win the elections. So, we don't have any special responsibility, but we have a lot of political talk shows, so I hired people I thought would get ratings. Okay? And because I picked well, we got ratings. But, that was my job.

I've been around long enough and been involved long enough to know that you can't -- you're not going to pick the next President anyway, nobody's going to do that. We had Warren G. Harding for god's sakes. He was picked in a back room and told to stay on his front porch, and he did, and he got elected. So, people who ascribe things to what you might think are trying to build a career on your work, but there's no proof of any of it. There's no truth to it.

Eliza Kern: What do you think it is about Sarah Palin and Huckabee that get those ratings? Like what do you think they appeal to?

Roger Ailes: I think they strike a nerve. I mean Sarah Palin, George W. Bush probably got as much bad press as she did, but she got the worse press I've seen since Hitler. I mean she just got bad press. I mean it's just bad, okay? But she's sort of like the Unsinkable Molly Brown, she'd kind of stick her head up and say, "Well, you know..." Bam, they whack her again and she'd go down, she'd get back up, and it became a national pastime to kind of watch it. She came out in the *Today Show* last week, did a pretty good job.

It's a game the media play, they'd rather chase that -- let me tell you, I said something back in the '60s, the press -- and this is what you don't want to become, and I preach this to our people all the time at FOX; if you give most of the traveling press core pictures, mistakes, or attacks, they will miss the story because they've got something to put up there tomorrow. They've got an interesting picture, they got a mistake, they got an attack. Maybe they got a new poll, maybe they got some side issue. That's bad, and that comes, and I'm part of it, everybody who does cable television is part of it, everybody who does TV is part of it. People are researching in Wikipedia, which they know is not true, or may not be true, but that's what they're using for their research.

There used to be you had to have at least two, maybe three, independent sources before you go with a story. Now you can say, well, the *National Inquirer* had a rumor that said, and then you're fine, that's your source and you put it on the front page of *The New York Times*. It's a different world, and the Internet doesn't have any of the journalistic rules that you need to really do good clean journalism. It's fine as a resource, it's fine as a tool, but if that is your only source for a story, be careful, because you don't know, some guy in his underwear in his basement is writing that stuff, and it's what he thinks. So, be careful.

Steven Norton: Well, speaking of the Internet and that technological shift, do you feel like there -- I guess that the TV won't be around much longer and what do you do if TV and viewership begins to go away? How do you make that transition and adapt to the Internet when it is potentially such a volatile place?

Roger Ailes: In '96 we decided to start the FOX News Channel, in 1996, and everybody was buzzing about convergence of the Internet screen and the television screen. And I was warned I better be on top of this and do it. MSNBC bet on convergence that year, they went into business with MSNBC, they started shows in Seattle, the site with what's her name? That girl that's named after a prison on the morning now, Soledad O'Brien. They did these Internet shows and some of these other things, and it failed. I bet that people were still going to go home and watch television and not play with their computer at the same time.

So, here we are, 15 years later, convergence is closer, technology is different, I think you have to take it seriously into account. We've changed the structure, we're working on Internet shows, some people have gone to the Internet to create programming and there's eventually believing that Internets will be their own network, Internet shows be their own network. I think you have to be aware and try to be a little bit ahead of the curve, but if you get too far ahead of the curve, you lose your rear end, and you lose all your money, and somebody else wins.

So, we're looking at it. I have a team of people working on it. I read about it every day and try to get my old rusty crayon-driven brain up to speed on this stuff, but there's a lot of hype in there. I mean if you're Google, you're making money. If you're not Google, you've got a lot of air in those numbers. So, you want to be careful about it.

Eliza Kern: So, do you think there's money to be made right now if you're not Google and you're another news organization?

Roger Ailes: Been very hard to monetize it. There have been some companies that have been able to. I guess Facebook and others. I mean I'm from a school that is still trying to decide why I want to tell everyone when I'm going to the bathroom or buying a loaf of bread. I don't think it's all that interesting, nor is it anybody's damn business, but apparently the next generation is really excited about that. So, we're trying to figure out, is there money to be made there?

I think in the marketing area, perhaps, and I think there will be some money made over time, and there will be some consolidation that will make money. The margins on a television station, in the old days, they used to say it was license to print money if you owned a television station. They were making 50, 60, what kind of margins do they have 50, 40, 30, no problem, right? Now you've got to work really hard to make money with a television station. You may get a 20 percent margin or something more than that, but the margins are much tougher. But, if somebody offered you a business with a 20 percent margin, today would you take it? Yeah. Nobody's offering that on the Internet. They're offering to build up something and then sell it to somebody else for more than it's worth, make all your money and run. And if you're in the right position, in the right time, and the right moment, you can make money doing that, but I don't know they've solved the advertising problem yet on the Internet.

Susan King: So, I'm going to go with -- you've got one Steve?

Steven Norton: Yeah, we had one last question.

Susan King: Go.

Steve Norton: As two student journalists, this sort of hit close to home for us. Reesenews had requested to live stream this.

Roger Ailes: Who did?

Steven Norton: Reesenews, the organization that Eliza's with.

Eliza Kern: Well, in the...

[Crosstalk]

Roger Ailes: So, are they actually putting this out all over the place?

Eliza Kern: Unfortunately not.

Steven Norton: We were told no, that we couldn't.

Roger Ailes: Good.

[Laughter]

Steven Norton: And that's what we want to know is; do you think this attitude contrasts with the values of the freedom of information [crosstalk] that you talked about?

Roger Ailes: I just don't know who they are, and they have people out there. You saw the stuff, we had a mole at FOX recently, and they put up.

Susan King: There's a couple of questions about the mole.

Roger Ailes: Oh yeah, I'm the mole. [Laughter] I'm not really, we're not doing anything wrong so I'm not all that worried about a mole. But the mole shows something quite interesting. The mole shows a culture that believes in theft, a lack of loyalty, turning on his colleagues, lying to management. I mean there are some real ethical, serious questions about it. So, I don't know much about it, I've just turned it over to the legal team to look at, but you can't steal people's stuff and then give it to somebody else who wants to denigrate your business. So, I don't know who those people are, that's the reason, no time to vet. If vetted, could be fine. If not vetted, I don't want to turn it over to anybody I don't know, that's all. It's just a time situation. That's why in television, you guys should've thought of that earlier.

Susan King: So, don't go away. We're going to do some from the audience in a sort of lightning round way. A couple of people said you talked about the journalism at FOX News, what's one of the stories that FOX News has broken that you're proud of?

Roger Ailes: Oil for food at the UN. Took us six months, we couldn't get *The New York Times* to cover it; we couldn't get CBS to cover it. We knew what they were doing. I had my life threatened, I had my family's life threatened, Eric Shawn and my reporter had his life threatened. UN shouldn't go around threatening people when they're stealing money. We reported it anyway.

Susan King: How about FOX News' newsgathering, is it affected by the decline in newspapers? Does it change your business mechanism or what's it...

Roger Ailes: It's very difficult. You look for strategic alliances all the time. We work with other networks in terms of if we're going to have in the helicopter in the air, why does everybody else have to? We could share a certain kind of footage. We help each other in warzones all the time. I got a call from Tom Johnson when he was running CNN, we were in -- I guess we were in Iraq and his tent was under attack by locals, and I said get them out of there now Tom and you guys can have our footage and we won't ever say anything about it. We've had people cover our rear ends in bad situations, because journalists will stick together when there's danger.

Newsgathering is expensive, it's difficult, if you're sitting there and you have a tsunami, you've got a war in the Middle East, you got a tsunami on the Pacific Rim, you've got a mass murderer in the United States, you've only got so many crews, you're trying to cover everything, and you're blowing out commercials at the same time, so you're losing money on the income side, and you're widely overspending on what you projected on the news gathering side. It's a complicated business to manage.

Rupert used to say to me, "How much money are you going to spend next quarter?" and I'd say, "Tell me what the news is going to be and I'll let you know," and he'd laugh. So, we have to float with it, make our decisions quickly, get people in cover, get them out fast, try to cover the news for everybody and not let anything get by us. It's work.

Susan King: So, one of the hot programs that has become part of news is *The Daily Show* with Jon Stewart. I mean it has grown in the last few years. You're thoughts on him and why does he hate FOX so much?

Roger Ailes: I actually don't think he can make a living without FOX, so he doesn't hate us. There's more FOX on his show than on our show. [Laughter] I know Jon reasonably well. Last time he was over at the building he came up to spend an hour with me, he and I debated for an hour. I like him very much. I think he's a funny guy. I wish I had 12 guys walking around with me to tell me what to say. He's got good writers. I sort of have to go in unarmed, but Jon's a very talented guy. The problem is, young people actually think he's doing a news show and he's essentially doing a comedy show about the news. I respect him, I like him personally, and I have no problem with his point of view, that's what America is all about. So, he's good. He's fine.

Susan King: You mentioned the cables often in your talk as competitors, you didn't mention so much ABC, NBC, CBS, the old fashion network television newscasts; they your competitors, too?

Roger Ailes: Sure they are, anytime there's a news viewer. One of the problems is that the news viewer today is 60 years old and up. I mean the networks are about 80, between 80 and death, but older people watch newscasts like that, packaged newscasts. Younger people tend to think that if they find out Lindsay Lohan wore something different to court, that that was the news. So, we're trying to get younger people actually interested in international news and serious stories.

But, no, the networks are fine. They have a large audience, so they still have what 5 million, 4 million people watching a night, and you can't discount them. But by and large they do a good job. I don't have a big ax to grind. They have become less biased than they used to be, and they, actually, in many cases -- I was at a cocktail party in New York last night, which I hate going to, but I went because a friend of mine asked me to go. Steve Kroft was there from *60 Minutes* who I've known for 30 years, I think Steve's a great journalist, I think he's a very -- he tries hard. He said, "What have you seen lately on CBS?" I told him that I sat down and watched a newscast about a week ago and I was stunned at how little bias in it. I thought it was actually a pretty good job.

And the new president of CBS, David Rhodes, worked for me for 12 years at FOX, now he's president of CBS News. So, I think everybody's trying to work a little harder at trying to get the story straight, and I'm proud of that, and I'm pleased, and I think we've had some effect on that.

Susan King: One member of the audience asked, "Do you believe climate change is real and caused by human activity?"

Roger Ailes: Both are true. Climate change is real because it may be raining when we go out, and therefore, the climate will have changed. Well, they've changed from global

warming to climate change because they couldn't prove global warming. I think the globe has warmed up one or two degrees over the last 100 years or so. It may be some truth to it. The evidence of global, well, first it was cows, then it was you know -- they tell us we can't down any trees, the environmentalists. Well, the trees they give off oxygen. We need oxygen. Guess what they need? Carbon dioxide. God actually set that up so it'd work in some kind of a cycle, I think, and we keep trying to fix it for God.

Yes, climate change is probably real, climate change is a lot. I think there's no evidence yet that humans do it, although it wouldn't surprise me. There are several billion people on Earth and some of them have halitosis. It's not good, it probably stinks out there. But, does that mean we should go around and steal land from little old ladies who have mud puddles on their land and tell them that that's a wetland and we have to take their farm away from them? That's a bit of a reach for me, but that's what the EPA is invested in at the moment. I know because I fight that up in my home county. I had a guy up there who farms 100 acres. He said the EPA came in, found a tractor tire tread that had water in it for two weeks and told him he had a wetland, and he's now been in court for five years. They want to take away his land to protect the environment.

They came to me and said, "We need an inspector to come up on your property and look for trouble."

I said, "Well, I don't think I'd do that if I were you."

He said, "Why not?"

I said, "Because my German Shepherd would eat him." I said, "Why are you up on my land looking for trouble?"

They said, "Well, you're up on a hill and you must have runoff and you're probably running off into your neighbor's yard."

I said, "Look, pal, God made water run downhill, it's been running down a hill for 1,000 years, I didn't do that." I said but just to put your mind at ease I bought the house down below, too, so it's running onto my property. Now get out of here."

So, yeah, you have to look at environmental things. I prefer the term conservation; I think you don't want dirty water. Nobody wants their kid to drink dirty water, breathe dirty air, or have condos ruin hillsides. Nobody wants that. Republicans don't even want that. Oh, my God. But do we need 500,000 pages of regulations? I don't think so. I think that's the problem. So, it isn't the goal that bothers me, it's the government. And let me tell you why; the government can't run things all that well. Everything the government does is broke. Social Security's broke, Medicare is broke, Medicaid's broke, the United States military is broke. Now, if you young people went in to do a job and you'd just finish seven things like that and the guy said, "Well, I'd like to hire you, you look like a nice young person. Tell me about your last jobs, have you had any?"

“Yeah, I’ve had seven.”

“What happened?”

“They all went broke.” You think the guy would hire you?

We’ve got to stop making things go broke; we’ve got to fix things. That’s the problem. I try not to put these opinions on television because I don’t have a place to put them, but I do question when the government wants more money and they haven’t fixed the last thing. When’s the last time you heard a politician hold a press conference and say, “Boy, am I glad you came today to my press conference. I’ve got an announcement to make. You sent in \$3 trillion and we’ve actually fixed something. Don’t send any more on this, we’re going to work on this problem. We need some money for that, but we’ve fixed this.” I never heard that. I’d cover that. I’d put a crew out there, but I never heard that.

Susan King: The last question is from one of our members of our audience, we elicited some good questions about some of the Republicans who were running this year. So, the last question is, what advice would you give to Obama about re-election?

[Laughter]

Roger Ailes: Well, I think he’s getting thin on blaming George Bush; I’d blame George Washington and start back there. I think he’s doing fine. The polls, we got a new one today, I got called. He and Romney are closer, I think was 44, 42, something like that. He’s seven points ahead with women and so therefore you get the -- what do they call that, gender gap? You won’t hear about the other side of that, he’s 14 points behind with men. There’s a little gender gap there, too. But, in any case, he’s doing fine and it’s very hard to lose as an incumbent because you control the calendar, you control the military, you control events, you control the schedule, and I think that he’ll be fine.

I wouldn’t give him any advice except keep on keeping on. That’s what I think he’ll do and I think that’s probably a wise thing to do.

Susan King: I want to thank you very much for joining us. I want to thank the two of you for being our questioners tonight. I want to thank the audience for some good questions. I couldn’t get to all of them, but I tried to get to a number of them.

The 23rd Park Lecture, I think we got a deeper insight to the man behind FOX News. Thank you very much.

Roger Ailes: Thank you.

[Applause]