

Does K.C. Own the News

The following article is reprinted from the pages of the Globe Magazine, the weekend supplement of the Globe and Mail from Toronto.

The reason for the article was the financial content of all English speaking dailies by one man, K.C. Irving. This article has been reprinted by us because no other N.B. newspaper in the past four months has seen fit to print it.

Odd that a very fair portrait of New Brunswick's greatest benefactors never has been acknowledged by any of our six efficient dailies. It also asks and provides answers to some very pertinent and embarrassing questions on the state of the media in New Brunswick.

"Does K.C. Irving Control the Media" was researched and written by Kenneth Bagnell, reporter for the Toronto Globe and Mail. Mr. Bagnell is no stranger to New Brunswick or to the provincial media. He was a United Church minister in Riverside, Albert County, before becoming a reporter for the St. John Telegraph Journal, later leaving to work in Toronto.

The repression of the following article by local media goes a long way in verifying the state of journalism in New Brunswick as reported by this article.

You are, let us say, rolling out of bed in the old city of Saint John, misty and grey in the New Brunswick morning.

You reach for the morning paper. It is K.C. Irving's paper. You switch on the radio. Chances are good it is K.C. Irving's station. You turn on the TV. It is K.C. Irving's channel.

You stroll to the drydock. It is K.C. Irving's drydock. You walk to the famous Reversing Falls and lift your gaze to a belching pulp mill. It is K.C. Irving's refinery. You board a bus. It is K.C. Irving's bus.

After dinner you buy the evening news. It is K.C. Irving's paper. You pick up the out of town papers, from Moncton and from Fredericton. They are K.C. Irving's.

You are in the domain of one of the most incredible men in Canada: Kenneth Colin Irving, who began as a car salesman in an obscure New Brunswick village and built a business empire so vast he is one of the richest men anywhere, with assets estimated at more than \$400 million and so many companies that only he, his three sons and a few confidants really know which ones and how many.

It is now 48 years since the Irving colossus had its unpretentious birth in the little fishing village of Buctouche. That year, 1921, Ken Irving, a merchant's son, a lean 6 footer of 22 with the shoulders of a boxer and the waist of a sprinter, was selling Model Ts out of a rickety frame garage. Since they needed gas to run, he became the local agent for Imperial Oil.

But Imperial, reportedly because of complaints from other car dealers forced to buy gas from a competitor, dropped him. Whereupon Irving took out a \$2,000 bank loan, bought a storage tank and three trucks, imported gas and oil from the Middle East and Oklahoma.

In 1924, he formed Irving Oil Company and the legend was under way.

The Irving story entwined itself around two main pillars. First, the gas and oil business, which grew to include a \$50 million refinery, 2,000 service stations, a fleet of tankers and a string of

bus lines. Second, the pulp and paper industry, with one multi million dollar mill, several smaller ones and more than 1.5 million acres of timberland. In between are scores of other companies, from hardware outlets to brokerage houses. His communications media five papers plus a television and radio station are not by any means major profit makers. But he bought them, depending on whom you ask, either as investments to add to his empire or as instruments to protect his other holdings.

Whatever the reason, they make a formidable chain: The Telegraph-Journal (circulation 30,000) and the Evening Times Globe (25,000) of Saint John, The Daily Gleaner (17,000) of Fredericton, and the Moncton Daily Times (16,150) and Transcript (16,350). In fact, every English language daily newspaper in the province. (Moncton's L'Evangeline, with 7,600 circulation, is both the only French language and only non Irving daily). Add CHSJ radio and CHSJ TV (Saint John's only television station) and reportedly a sizeable interest in CKCW radio in Moncton.

Throughout most of his career, Irving has pursued his path in lonely and strict solitude, shunning public engagements, refusing to create public shares in his companies and able to stroll down King Street in Saint John with few glances of recognition. Occasionally he is seen at Sunday services in the Presbyterian Church of St. John and St. Stephen's of which he is a nominal member. There is no hobby but work, no recreation but effort.

A man of puritan style and spartan taste, he neither smokes nor drinks (although he will play a rare hand of poker) and even now at 70, his face is smooth and his bearing confident and energetic. No matter who you speak to, advocates or antagonists, they eventually refer to his courtly, even gentle, demeanor. "I have seen him" says one of his acquaintances, "drive his chauffeur on the return trip from a long drive. The only reason he has a chauffeur is that he needs one, he's so busy. But there is no show with K.C., no ostentation. He drives a Ford, not a Cadillac."

This charm, however, is the external garment, beneath which, say his competitors, exists a business mind that is massively brilliant and thoroughly ruthless. "He has brought an awful pile of industry to this province and deserves credit for it," says one man, "and as an antagonist I respect him. But I never turn my back. Most industrialists in Canada are scared to death of him. Anyone who tangles with him usually loses a piece of flesh." But, like most of those who discuss him, this man refuses to be quoted.

Irving is so powerful, so pervasive in New Brunswick that in Saint John a group of businessmen, roughly 20, meet on almost a regular basis, swapping the latest intelligence on Irving moves and generally trying to anticipate what the titan will do next. "We do it," says one, "because we want to survive here. That's all. If we didn't stick together we couldn't withstand him. He'd drive us into the ground."

In recent years, mainly since 1965, Irving has begun to shed his penchant for privacy and climb into the public arena with all the deliberate grace of Gentleman Jim with bare knuckles. He has done so,

not because his affection for privacy has waned, but because the policies of the Liberal provincial government of Louis Robichaud have forced him into open confrontation.

For the first five years of Premier Robichaud's stewardship, relations between K.C. Irving and the Liberals were cordial and co-operative. When he was first elected in 1960, Robichaud, like every New Brunswick politician before him, took the view that Irving was not just an Industrial benefactor, stimulating the economy and making jobs (more than 13,000), but was simply too big to tangle with anyway. In fact, in the early Sixties, when Irving's drydock needed business, Louis Robichaud personally called Prime Minister Lester Pearson and secured two ship building contracts for K.C. Irving.

But by late 1964, the relationship showed signs of impending fracture. For that year, the New Brunswick government heard from an inquiry which, after almost two years' study, recommended radical revision of the province's public service structure. Among its recommendations was one which struck at the heart of K.C. Irving's corporate health: a new assessment act which would end the tax concessions several Irving businesses (and others) had been granted when they were established.

Throughout 1965, Irving and Robichaud remained on correct and even cordial terms, for the Premier had announced that the government was not certain which of the inquiry's recommendations it would act upon. That June, Irving entertained Vice President Hubert Humphrey for three days' fishing on the Restigouche River, and Louis Robichaud was there along with his sons Jean Claude and Paul.

But the end came that December. The government seemed to move toward ending all existing tax concessions and Irving was livid. In a memorable meeting December 14, he appeared on the floor of the New Brunswick Legislature to put his opposition. The members heard from other businessmen, but it was clearly K.C. Irving for whom their ears were cocked.

"As I understand one section of the assessment act," he said, "the government would assume the power to nullify legitimate tax agreements which have been made by industry. In other words, it wishes to have the authority to destroy agreements, to break faith with companies which have invested millions of dollars on the strength of those very agreements. Gentlemen, is this happening in New Brunswick?"

Not quite. For at 11:10 that night, after a meeting that began at mid morning, Norbert Theriault, the provincial minister of municipal affairs, rose to say that the government really didn't intend to wipe out existing tax agreements at all. Nobody was thinking of such a thing. They were just going to let the present ones run out, which for Irving meant in some cases around the year 2000.

None the less, the blood was bruised and it was never pure again. In 1967, Irving reportedly encouraged Charlie Van Horne, a political stylist in the Huey Long tradition (and a former Irving advisor), to return to New Brunswick helped bankroll him and supported him as Tory leader trying to topple the Robichaud government. He failed and the province remains full of stories of how much it cost Irving.

But it is not merely within New Brunswick that pressures are building which Irving dislikes. They are now coming from Ottawa, aimed at his communications monopoly. It was obvious when the Canadian Radio Television Commission met in Moncton last September that the commissioners were concerned with the concentration of power in Irving's hands. They later refused the Saint John cable TV licence application in which he was involved, and though they renewed his radio station licence for one year, they said they would keep an eye on his ownership.

And in the Senate, Keith Davey, introducing his proposed inquiry into the press last February, said: "There is one entire province, New Brunswick, in which the press is controlled by a single owner. This one person controls all the daily newspapers... Is such a concentration of

ownership necessarily a generous thing? Personally, I am inclined to think it is."

Irving is hurt by the threat toward him and even by the press inquiry which begins hearings in the fall. "I've always wondered," says a provincial politician, "why he didn't anticipate this was coming sooner or later. He thinks it is a plot to get him. But he had people around him who did not see the sort of thing was inevitable. It's symptomatic of their operation. They're great figures, but awfully light on philosophy."

On Tuesday, March 3, a wet, windy day in Ottawa, a backroom politician from New Brunswick, Charlie McElman, now a Senator, made a speech. The following morning the cities and backroads of New Brunswick, people opened their papers and with the special interest of those who had waited a long time and at last got ringside for the opening round:

Ottawa (CP) A Liberal government investigation of the "ownership and control" of all English language daily newspapers in this province by the K.C. Irving interests.

Senator Charles McElman told the Upper House the investigation should be carried out by the consumer and corporate affairs department. "And if the evidence shows an improper monopoly, then I should hope that the law will be applied to remedy the situation."

There were many stations in New Brunswick "that cried out for media coverage because of public interest but they received little or no attention from the Irving group because of the danger of involving an Irving interest other than the mass media."

The next day the same people awoke to a remarkable sight. There in their newspaper was K.C. Irving himself, the man whose picture almost never appears, and he was bitterly reprimanding McElman.

"It is no secret," said Irving, "that Senator McElman is using his position in Ottawa to carry out a personal campaign to reflect on me and the news media of New Brunswick."

"Senator McElman implied that there is something secret, sinister about my ownership of newspapers or broadcasting operations in New Brunswick. This ownership goes back approximately 25 years and during that entire period the newspapers, radio and television station, since inception in 1954, have been operated in the best interests of the people of New Brunswick."

"I make no apology for my attempts to build a better New Brunswick. I make no apology for the ownership of the newspapers and I will not apologize so long as those newspapers are operated properly by people who have a great deal more concern for this province than Senator McElman has ever demonstrated."

On the fringe of downtown Saint John, in a clearing on a gentle hill, sits a low, grey building. It is quiet near the building, for there are few cars, so few there are no traffic lights at the intersection. Here are the business, advertising and editorial departments of New Brunswick's largest newspaper, The Telegraph-Journal. K.C. Irving's.

Saint John is the headquarters of the Irving interests. It is exactly 18 years since I first entered Saint John and I entered as I did today, on an Irving bus.

A great many people have told me that the Saint John Telegraph-Journal is his most influential property. Unlike his four other papers, The Telegraph-Journal covers virtually the entire province. It is also the one paper most often accused of tailoring to suit its powerful owner.

Most people agree. I talked to more than 100 that the paper does give its owner rather special treatment. But their attitude varies greatly. Some applaud it, for they are sure Irving deserves a good press, for what is good for him is good for everyone. (I know, as people continually remind me, that Irving has done much for New Brunswick and had he invested elsewhere the province would be much the poorer.) Others say it is unfair to single out the Irving papers for attention