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THE IRVING MEDIA



Oil, logs, minerals, ships, buses, and the media

by ROBERT CAMPBELL
and RUSSELL HUNT

The most publicized segment of the Kenneth C. Irving empire is his monopoly of the media in New Brunswick. Since the 1969 attack on his media empire in the Senate by former Louis Robichaud aide Senator Charles McElman, the Combines Branch investigation which began shortly thereafter, and more particularly since the Special Senate Mass Media Committee hearings in the spring of 1970, the publication of their three-volume report the following winter, and the prosecution of the Irving interests under the Combines Act in the winter of 1972-73, there is hardly anyone in the country who isn't aware that the Irving dinosaur owns all five English language daily newspapers in New Brunswick.

Or that it owns the largest of the four radio stations in Saint John (and the only TV station — one of two in the province). Or that Irving's television station is broadcast into 94.9 per cent of the TV sets in the province.

Or that for long periods of time, the ownership of that vast proportion of New Brunswick's media was kept completely secret from the public.

Because of all that publicity, many of the more spectacular abuse of the public trust which have resulted from the Irving media monopoly are also now well known. The way in which the papers have shied away from any meaningful investigation of industrial pollution in New Brunswick, for instance; the long-standing conspiracy of silence about Irving's business dealings; the media's secrecy about its own ownership; and the astonishing way the papers treat Irving as what the *Telegraph-Journal* once called him — the voice of New Brunswick — all have become part of Canada's common stock of knowledge.

Much of that publicity is, almost single-handedly, the work of a New Brunswick Liberal senator named Charles McElman. In some ways, the struggle over the media of New Brunswick represents another round in the struggle between Irving interests and the Robichaud government, represented in this round by Senator McElman, who was a very central figure in the fight over the Equal Opportunity program, and sat for a time on the board of Brunswick Mining and Smelting as the government representative.

He spent, in other words, most of the early sixties in the thick of the fight over Brunswick, Equal Opportunity, industrial tax concessions and pulpwood. It was in that fight, he says, that he learned not only how thoroughly the newspapers were under Irving's thumb, but also how important their position could be in a political struggle.

But the examples he brought to the attention of the Senate — and ultimately of the nation — ranged well beyond the political. It was Senator McElman, for instance, who recounted the story of the explosion and fire in the crew's quarters aboard the oil tanker *Irvingstream* in Saint John Harbor, and pointed to the *Telegraph-Journal* laying the cause of the grim accident at the door of the federal government — which, it said editorially, did not provide sufficient fireboats. It said so even though its own story admitted that the fire chief said that fireboats were not a factor. And when the inquest accused the company of negligence, there was no editorial mention of it in the paper. As far as the casual reader knew, five men had died because Ottawa didn't provide fireboats.

But perhaps McElman's most spectacular example of journalistic malfeasance involved the senator personally. On March 10 and 11, 1971, he made a long, well-documented speech in the Senate attacking, once again, the Irving monopoly in New Brunswick. Reaffirming his admiration for K.C. Irving himself, McElman told the story of the *Irvingstream*, pointed out the deep secrecy surrounding Irving's acquisition of the

It's not often we see investigative profiles of media concentrates, but that's what this major story is. By Robert Campbell and Russell Hunt, co-authors of K.C. Irving: The Art of the Industrialist, this piece is excerpted from the forthcoming book, published by McClelland and Stewart this month (\$8.95). Campbell and Hunt were editors of The Mysterious East, Fredericton's delightful muckraking periodical which has closed up shop; they also have taught at the University of New Brunswick.

Fredericton Gleaner (the president of New Brunswick Broadcasting Limited, a close associate of Irving, didn't even know of it), and cited some instances in the long history of editorial silence about Irving companies.

When the Senate recessed on March 10, The Canadian Press filed a story immediately. The story was carried the next morning by the *Moncton Times*, along with an editorial calling on McElman either to show real abuses or shut up — apparently having read neither McElman's speech nor the Davey mass media committee report.

But it was the *Telegraph-Journal* that handled McElman's speech most spectacularly. On the same day that the story made the front page of the *Times* there wasn't a word about it in the *Telegraph-Journal*. And since both are morning papers and go to press at the same time, it wasn't because they hadn't received the CP dispatch in time. The next day's front page made it clear why the story hadn't been published. The March 12 headline ran: "McElman Continues Attack: 'Alley Cat' Charge Levelled in Senate," and another front page story was headed "Venomous ... Garbage ... Scurrilous ... MPs React to McElman Charges."

Richard Jackson, an Ottawa journalist whose uninspired syndicated column is the *Telegraph-Journal's* only contact with Ottawa, had apparently run out and garnered comments from all the old dependable pro-Irving, anti-Robichaud and McElman MPs and senators in Ottawa. Saint John-Lancaster Tory MP Tom Bell, whose family are Irving business associates, called the speech "venomous" and "cowardly." Senator David Walker, an old personal friend of Brigadier Michael Wardell, who had been attacked by

McElman's speech, said "this has been a filthy afternoon" and — in Jackson's phrase — "twitted" McElman about having been Robichaud's private secretary. Robert Coates, a Nova Scotia Tory whose flatulent book about the ouster of John Diefenbaker as party leader had been published and puffed by the *Gleaner's* Wardell, called McElman's speech "the most reprehensible action that I have known in my fourteen years as a Member of Parliament." (Easily shocked, these politicians.) With his customary precision, former New Brunswick Conservative premier and Diefenbaker cabinet member Hugh John Flemming said that Wardell had made "a definite and most outstanding contribution" and "an unusual and most definite contribution."

That was the front page. On page four, the editorial was headed "A Filthy Afternoon," and opposite was another reprinting of Walker's comment, in a box; above that Wardell's reply; and above that the original CP story.

It is hard to believe that in the course of defending itself against a charge of manipulating the news a newspaper could manipulate the news so blatantly. A satirist who created such an irony would be accused of exaggeration.

There are, of course, other equally well-known instances of news manipulating: The distortion of Laurier LaPierre's speech at Memramcook, near Moncton, in 1969, through which a hard-hitting socialist attack on Irving and his ilk became an argument against Maritime Union, for instance; the consolidated push by the Saint John media behind Irving's attempt to modify the plan for the Saint John Harbor Bridge in 1965; the elaborately-orchestrated announcement of Irving's plans for expanding the Brunswick Mining and Smelting complex in Bathurst in October of 1964; what McElman called the "indecent burial" of a story involving pollution from the Irving mill in Saint John; the near-impossibility of obtaining coverage of labor troubles involving Irving in the forties and fifties.

It is difficult to believe — much less to prove in a court of law — that such incidents are the results of conspiracy, that the news has been distorted at the behest of K.C. Irving's financial interests. A lot of different and complex and subtle elements are involved in an editor's decision about how to handle a story or what sort of headline to put on it.

It is next to impossible to locate the specific determinant that, for instance, indecently buried on an inside page a consultant's report accusing the Irving pulp mill of dumping 27,000,000 gallons of waste a day into Saint John harbor. Senator McElman inferred, when he described the situation on the Senate floor, that it was a measure to protect the Irving companies from adverse publicity. But the management of the paper said that the decision was taken because the story had already been on the front page of the previous evening's *Times-Globe*. But who can know what was in the editor's mind that night as he set up the morning *Telegraph-Journal*? The only thing we can be certain of is that he did *not* phone the management of the pulp mill.

In any such case there are similar complications. Maybe the papers *did* see the logic of Irving's objections to the location of the New Harbor Bridge; maybe Laurier LaPierre's speech was

misrepresented merely because of laziness or ineptitude; maybe all the media in New Brunswick *did* agree on the importance of the Brunswick Mining announcement and agree to treat it the same way because it was convenient. Maybe labor's point of view just *didn't* make much sense to the newspapers in the forties. Maybe.

And, indeed, it is certain that you can find independent newspapers making similar decisions and operating on similar assumptions, just as the Irving papers have made similar decisions about non-*Irving* companies. The *Telegraph-Journal* has never crusaded against Irving's lavish tax concessions or unabated pollution, to be sure; but then they've never had much to say about those of Consolidated-Bathurst or the Fraser Companies, either.

There is yet a worse complication in any attempt to demonstrate the evil of monopoly ownership of the media. Clear, concrete examples like these may be the most striking ones there are, but they are far from the most serious and potentially dangerous ways in which the news can be manipulated. The most crucial decisions are made much earlier in the process. Decisions not to cover a story, and more especially decisions not to investigate some area likely to yield a story. And such decisions are, of course, in many cases not decisions at all; often the alternatives are never considered. It is very rare, for example, to find a case such as the one cited by journalist Donald Cameron in his testimony before the Davey committee, in which the Fredericton *Gleaner's* investigation of welfare abuses was never printed because the favorable results of the investigation conflicted with the paper's policy.

More often, the paper simply never notices an area to be investigated. Thus, none of the New Brunswick media have done a study of the economics of the pulp and paper industry and its relationship with the pulp cutter and small woodlot owner. And this is not because they have been told by their owner, K.C. Irving Limited, to stay away from the subject; it is rather because they don't see that such a study needs to be done, that there are flagrant abuses waiting to be discovered. Whether, in turn, this is because they are lazy and unimaginative or because they perceive clearly where their fundamental interest lies can't be said for sure — not even by the people directly responsible.



A case which is not quite so ambiguous represents the papers' coverage of areas directly involving Irving. An inspection, for instance, of the Irving press in the period between his spectacular trip to the provincial legislature in December, 1965, and the election seventeen months later, reveals no mention at all of Irving's political position, of his involvement in the campaign, even of his attitudes toward the on-going implementation of the Equal Opportunity program. At the same time, the national media were making it perfectly clear that it was Irving who was behind Charlie Van Horne's campaign against Robichaud. But their inferences were by and large made from a distance; the local media maintained complete silence on the subject.

Even the fact that Van Horne had once been K.C. Irving's executive assistant was never mentioned in the Irving press. In such a case, of course, it is as difficult to ascertain direct influence as in any other; but the conflict of interest is much easier to see. Any sceptical, tough-

minded and aggressive journalism would have come into direct conflict with the interests of the management of the papers. Whether there ever actually was an order at the *Telegraph-Journal* that Irving's name was never to be mentioned in print without getting clearance from the publisher, there were most certainly reporters who believed there was.

An even more subtle distortion occurs when newspapers report news events only in isolation, making no connection between them for their readership. In July, 1970, *The Mysterious East* published a story showing that the chairman of the New Brunswick Water Authority, the governmental organization charged with enforcing the province's anti-pollution laws, had also (simultaneously) been the executive-secretary of the New Brunswick Forest Products Association, an organization of pulp and paper businesses (the province's largest water polluters) set up to represent the industry in any dealings with government.

The Davey Committee called the story "an astonishing scoop" which should have been "joyously trumpeted" by the daily papers of the region — but wasn't. The report went on; "The uncharitable might be led to suspect that this lack of journalistic enterprise was connected to the fact that K.C. Irving, owner of one of the province's largest pulp mills, also owns all five New Brunswick English-language dailies." On December 10, Michael Wardell ran a hysterical, two-full-column editorial response to the Davey Report, in the course of which he defended the *Gleaner's* ignoring of the story: "Some of the biographical material in the article was available in the files of the *Daily Gleaner* as far back as October, 1958."

Even assuming that Wardell means to say that the paper had printed the material, not merely held it in its files, there is a wealth of insight into the editorial process in that statement; it implies that if the paper has printed the facts, it has no obligation to connect them. On one occasion, you mention a man's association with the pulp and paper industry; on another his appointment to a government agency. For the *Gleaner* — and newspapers like it — that's your obligation, your upholding of a public trust. The fact that the two facts are nearly meaningless in isolation, that the story lies in their connection, is surely outside your ken, isn't it?

Or take the story of the *Irving Whale*. When the oil barge sank in the Gulf of St. Lawrence on Monday, September 7, 1970, the Irving papers faithfully reported all the details about its 3,500-ton cargo of bunker "C" oil, its ownership and location, the statements of Irving himself and Irving officials, government spokesmen, and all the customary appurtenances of news reporting.

None, however, made any reference to the *Irving Whale's* previous history. No one mentioned that the *Irving Whale* had been rented (at \$1,000 a day) to the task force cleaning up after the Liberian tanker *Arrow* spilled 3,800,000 gallons of bunker "C" oil in Chedabucto Bay. Or that at that time P.D. McTaggart-Cowan had said that the barge "was in terrible shape — dirty, with the safety rails half off over the bow," and that the barge had been a good vessel when built in 1966, but "it didn't look as if it had had any maintenance since." Nor did they make much of the fact that the *Whale* had spilled 3,000 gallons of bunker oil near Newfoundland's Burin Peninsula only months before. Even the comment by a transport department official that the barge was "very, very heavily loaded" just prior to its sinking, was buried at the end of a story outlining the transport minister's new, tougher anti-pollution policy.

The clear implications created by the juxtaposition of these facts — of callous irresponsibility toward the environment, of care-

lessness and probably negligence — remained entirely absent from the newspaper accounts of the events. Yet the press could say in all truthfulness that it had not suppressed any of the news, that it had printed all the facts.

And here again it is almost impossible to distinguish between mere laziness and suppression. Indeed, Donald Cameron made the point, in a CBC program on the Maritime press, that if you want to create a conservative, status quo, pro-establishment press, the best way to do it is simply to hire the incompetent. Incompetent journalism is better for the dinosaurs than journalism which is committed to their cause.

Finally, then, perhaps the most convincing argument against press monopolies such as that of Irving is that since incompetence is so attractive, both ideologically and financially, the monopoly will almost by nature create an incompetent press. Of course, as was demonstrated by the independent Fredericton *Gleaner* under Brigadier Wardell, and even more so under its previous ownership, monopoly is not the only cause of incompetent journalism. A small readership and consequent low advertising rates and lack of money; inexperience; an excess of experience leading to boredom; and misguided notions as to what journalism ought to do for society can all lead to the growth of what the Davey report called a "journalistic disaster area". Whether or not it is the ownership of the newspapers that has produced that situation is an immense and complex question.



But as long as the media in New Brunswick are controlled by one financial interest, there is no chance whatsoever that it is going to improve very noticeably. Good journalism is contrary to the interests of such entities; as the Davey Committee insists in its report, the job of journalism is to prepare people for social change. And if you're doing as well under the present system as the Irving dinosaur is, social change — of whatever kind — must look like a threat. Dinosaurs do not adapt to change.

Whether the dinosaur consciously knew what it was doing when it devoured the newspapers and the radio and television stations, or whether it simply acted according to instinct, is another difficult and complex question. Irving himself testified before the Davey Committee that it was merely a matter of business instinct. Asked by counsel Yves Fortier whether he bought anything that was for sale, Irving answered, "If it is a reasonable buy and providing I have the money."

"When you are dealing, do you treat the acquisition of newspapers any differently than you treat the acquisition of other commodities?"

"Well, I don't," Irving replied. "You have to select your commodities."

"Well, I think it is for you to do that."

"All right." Irving was, in Senator McElman's words, "testy" at this point; he does not like being badgered. "So far as a good commodity itself, I deal with all good commodities and I put the newspaper business in the same category."

This is, to be sure, a somewhat casual attitude to hold about the public trust involved in newspaper ownership. As Senator McElman commented later, it is enough to "chill the printer's ink" in a good reporter's veins. But it still does not decide the extent to which the media empire was assembled knowingly and deliberately as a monopoly of information in New Brunswick. For Ir-

The Daily Gleaner

The Moncton Times

The Evening Times-Globe

The Telegraph-Journal

The Moncton Transcript

ing never explained why the newspapers were an attractive commodity; and he did make abundantly clear that whatever the reason for their attractiveness, it was not primarily financial.

As with so many other questions about the motives of dinosaurs, it seems that this one can only be answered by looking at its specific actions. The important questions, then, are not concerned with what Irving and his executives say about the reasons for their actions, but rather with precisely what their actions were. How, in fact, did the Irving interests come to have such an unprecedented level of control over the channels of public information in New Brunswick — and to what uses has that control been put?

Like so many of Irving's industrial and economic structures, the media empire began, and still has its cornerstone, in Saint John. The Saint John newspapers were the first to be purchased, and remain the largest and most influential newspapers in the province. In effect, they are only one newspaper; the morning *Telegraph-Journal* (the only newspaper in the province with pretensions to cover all of New Brunswick) and the evening *Times-Globe* are sister papers, sharing offices, staff, management and editorial policy.

It was not always so. During the last half of the nineteenth century, a dozen different papers competed, at varying times, for the small Saint John readership. The *Morning Globe*, for instance, established in 1858, became the *Evening Globe* in 1859, absorbed *The Colonial Empire* in 1863 and became the *Saint John Globe* in 1867, which it remained until 1927, when it joined *The Evening Times and The Star* (which represented a 1910 amalgamation of two previous papers) and became known as the *Evening Times-Globe*.

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A similar evolution characterized the morning paper, which began as the *Daily Telegraph* in 1864, became the *Morning Journal* in 1865 and *The Saint John Daily Telegraph and Morning Journal* in 1869, four years later contracting its name to *The Daily Telegraph*. It absorbed the thirty-year-old *Saint John Daily Sun* in 1910. At the same time a group of Conservatives from Fredericton founded a paper called the *Standard*, which became the *Saint John Standard* and then, in 1922, the *Daily Journal*. In 1923 that paper merged with the *Daily Telegraph and the Sun* to form the *Saint John Telegraph-Journal*.

The final stages of this process of merger and consolidation were performed by Howard P. Robinson, the scion of a Sussex, New Brunswick publishing family who rose to become, in the early twentieth century, a figure almost as dominant as K.C. Irving was to be in the middle years of the century. Almost the single-handed promoter of the New Brunswick Telephone Company, Robinson in the late thirties and forties was a director of the Royal Bank and of the CPR; chairman of the board of New Brunswick Telephone; and primary figure in The New Brunswick Publishing Company, which he created. In June, 1923 the company was set up; in July it acquired and merged the *Daily Telegraph* and the *Daily Journal*; and in 1927 it acquired and merged the two papers which became the *Times-Globe*.

Robinson, a major force in the Saint John business community, thus became and remained the dominant voice in Saint John for more than twenty years. There was, that is to say, plenty of precedent for Irving's assembling a media monopoly in New Brunswick. When he arrived in Saint John in 1930, the newspapers were all safely under one roof. And four years later, New Brunswick Broadcasting Limited, an offspring of Robinson's New Brunswick Publishing, took over the city's only radio station, further consolidating control of the public sources of information.

Irving's acquisition of control of New Brunswick Publishing was, then, hardly a break with

tradition. At the time few people knew that New Brunswick Publishing was reorganized in December, 1944 and that shortly thereafter Robinson's interest passed to Irving; and those who did made no claims to know the motives of either party to the deal. But hindsight suggests a passing on of a torch; if H.P. Robinson was to Saint John in 1940 what Irving was to be to New Brunswick in 1960, it is clear that Irving succeeded to Robinson's position between 1945, when he bought the newspapers, and June, 1949, when he bought the elegant white mansion at 197 Mount Pleasant Avenue in Saint John that had been a focal point of Saint John business activity for years — Robinson's house. Robinson, retiring from business, it seems clear, was passing on his position of primacy in Saint John business to the younger man.

And, whatever Irving's conscious motives, the control of the media in Saint John was at least as attractive a proposition as the control of that of the whole province was to be a few years later. Increasingly involved in public affairs and in dealings with the government, Irving could hardly have been unaware of the sort of potential involved in media ownership — potential that he was later to realize in the final rounds of the bus franchise struggle.

And when, three and a half years later, Moncton Publishers Ltd. began to look shaky, Irving formed Moncton Publishing Ltd. and bought the two Moncton papers through it. At that point he controlled the papers in the only sizable population and financial centres in New Brunswick. The only English-language daily newspaper left was the Fredericton *Gleaner*; and even though it was the provincial capital, Fredericton was still a very small town. Moreover, then as now, more Frederictonians read the *Saint John Telegraph-Journal* as a major news source than read this local paper.

Illustrations: Aislin (caricature), Ed Rajewski (sketch portrait), and Allan Leishman (photographs).

When, in 1951, University Press Ltd., set up by the recently-arrived Beaverbrook associate, Michael Wardell, took over the Fredericton *Gleaner*, it became certain that no anti-Irving voice would be raised in New Brunswick; Wardell unashamedly worshipped Irving and his works and for the next twenty years the most consistently and openly pro-Irving voices in the province were to be his *Gleaner* and the associated magazine, the *Atlantic Advocate*. It was not until 1968, with Wardell ready to retire back to his native England, that Irving felt it necessary to acquire control of University Press, and complete in economic terms the dominance that had existed in *de facto* terms for two decades.

The degree of secrecy surrounding Irving's assemblage of his newspaper empire is significant; the dinosaur was clearly aware that its appetite was moving beyond bounds. Of course, all of Irving's business is conducted, as far as possible, out of public view. That is a major reason for his desire to gain complete ownership, rather than effective control, of business. And there are a number of readily understandable motives for secrecy in this case: Not only the apprehension that an anti-monopoly proceeding might be launched, but also the perception that if the public was widely aware that Irving interests owned the newspapers, value of their support would be markedly lessened.

In any case, throughout the late fifties and early sixties, journalists reported no more than that "it was rumored" that Irving controlled four of the province's newspapers. Clear public confirmation never was offered. Research might have established the fact, but none was done. It was not until after Irving had absorbed the *Gleaner* that knowledge of the ownership of the media became widespread. And that transaction became public in a very roundabout way.

The deal by which Irving took over ownership of University Press was consummated on May 15, 1968. The degree of secrecy involved can perhaps best be seen by considering that not only the general public, but the *Gleaner* staff and management, and many of Irving's close associates, were kept in the dark. L.F. Daley, a Halifax attorney who had been president of New Brunswick Broadcasting since 1962 and one of Irving's principal legal advisers, testified before the Canadian Radio-Television Commission the following November that as far as he knew there was no connection between the *Gleaner* and the Irving papers in Saint John and Moncton. Rumors of an Irving interest in the *Gleaner* had been circulating for years — hence the CRTC's question — and Daley's testimony served to quiet them measurably.

Months later, however, Senator McElman heard, in England and from an associate of Michael Wardell, that Wardell had sold his interest in the *Gleaner* to Irving. On March 11, 1969, he announced in the Senate that the Irving media monopoly was now complete, and within days he had made a formal request to the Combines Branch of the consumers affairs department to investigate the Irving group. The furor stirred up by his announcement, and his subsequent request to the Combines Branch, was considerable.

On Wednesday, the following day, the *Gleaner* ran a Canadian Press story on McElman's speech, putting it on the inside of page two, with the obituaries and below the weather forecast. The next day, however, there was a story on the front page headed "Control of the *Daily Gleaner*", with a boldface lead which ran: "Today a change in the relative holdings of the shareholders of the company owning the *Daily Gleaner* is announced." Under that there were two stories — "Irving issues Statement" and "Wardell remains Publisher."

None of the stories acknowledged that the announcement was of an event that had taken

place almost a year before, or that the only reason it was being announced now was that McElman had taken the cat that Wardell had let out of the bag and tossed it onto the Senate floor. Wardell's statement, in full, ran like this:

"Mr. Irving some months ago became a major shareholder in the company which controls the *Daily Gleaner*. For the good of the province and in the interests of the staff of the *Gleaner*, to retain control within the province as well as to safeguard my own interests, I invited Mr. Irving to acquire this interest in the company. I still have a substantial shareholding and I continue to exercise control of policy and full direction of the newspaper, with the help of a fine and efficient staff."

An equally unrevealing lead editorial, less than a hundred words in length, said the change had

"no relevance to the services which the *Daily Gleaner* will continue to provide for its readers, or to the policy of its editorial column."

The attempt to make the deal seem nothing more than a minor financial reorganization seems, by hindsight, to be disingenuous at the least. It is difficult to believe that Wardell had no idea at all that within a little more than a year the *Gleaner* would have a new publisher and he would be on his way back to England to retire. Moreover, there were persistent rumours that Southam Press had made a higher offer than Irving for the *Gleaner*, a fact which, if true, suggests someone was thinking in terms of a deal more far-reaching than merely a minor financial readjustment.

Irving's statement was equally interesting. "There is nothing secret about it," he said. The

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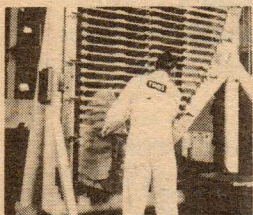
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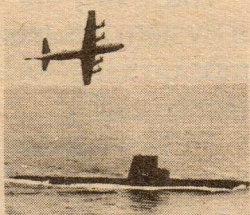
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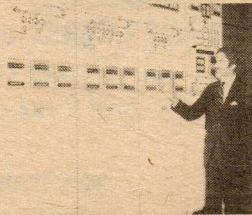
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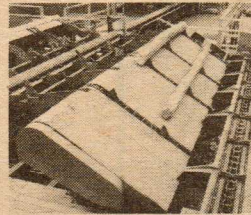
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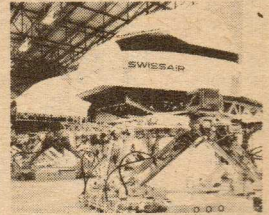
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deal was described in a brief submitted to the CRTC and "the information will be public this week if the CRTC wishes to make it public or, at the latest, at the time of the next hearing." He could, he said, only presume that McElman knew the information was to be made public and made his own announcement first so that he could claim the deal was a "secret." He suggested McElman's motives were personal pique, stated that he did not feel that his ownership of the media was something to be apologized for, asserted his own lack of involvement in the newspapers' operations, and cited as an example the fact that Brigadier Wardell had retained control of the *Gleaner*.

"Senator McElman," he concluded, "has implied that there is something wrong with New Brunswickers owning and building businesses in New Brunswick. I don't agree with him." He was unlimbering the most trusty weapon in his armory. "I have spent my whole life working in New Brunswick and I don't think New Brunswickers have to turn any enterprise over to outsiders. Does Senator McElman also believe that Canada would be better served if the news media were foreign-owned and controlled? I have had many opportunities to sell the newspaper properties over the years, but it has been my view that they should be operated by New Brunswickers, not by some company with a head office in Toronto or some foreign country."

In a limited way, the tactic worked again, as the letters columns filled with defenses of Irving and attacks on his opponents. But this time the situation was different, for the forces set at work by McElman were outside Irving's scope. D.H.W. Henry, the director of investigation and research under the Combines Act, already had instituted an investigation. Moreover, within a week, on March 18, the creation of a Special Senate Committee on Mass Media was approved by the Senate.



Originating as they did outside New Brunswick, the two new forces created an entirely new arena for the fight, drawing national attention to the New Brunswick media situation and indirectly to the problem of the economic dominance of New Brunswick by one corporation. But with the wheels of justice grinding as slowly as they ever do, it was to be some time before any effects were felt.

Publicity generated by the Combines Branch investigation was to be sporadic and general, drawing attention to the fact of the investigation but not to the details. The ensuing October, for instance, it was widely reported that investigators from the Combines Branch had searched the offices of New Brunswick Publishing, Moncton Publishing, University Press, K.C. Irving Ltd., and the homes of Wardell, Irving, and Ralph Costello, Irving's lieutenant and the principal figure in the Moncton and Saint John publishing and broadcasting companies.

Most of the publicity surrounding this event was due to the screams of anguished protest loosed by Michael Wardell, who termed the action a "raid" by a "vice squad" which treated him as though he were a member of the Mafia, and generally managed to create the impression that his door had been broken down by storm troopers. That Wardell's response was somewhat excessive became clear in January, when the Toronto *Star* ran a picture of the attractive young brunette who had led the "vice squad" and who

was present when D.H.W. Henry described their search to the Davey Committee. Such publicity drew attention to the fact that there was a problem in New Brunswick, but did not do much to clarify its nature.

The Davey Committee was another matter. One of its central concerns — as might have been expected, since McElman's initiative was a major factor in its formation — was the New Brunswick situation. Dalton Camp, in fact, said to the committee that "as a Maritimer I have been interested in the committee's close examination of media in New Brunswick. For a time, I suspected that the committee might not have any other purpose." It is interesting, too, that Ralph Costello was the first witness to appear before the committee when it opened its hearings on December 9 — though he appeared not in his capacity as central figure in the Irving media empire, but as president of the Canadian Daily Newspaper Publishers' Association.

Through the course of the hearings the New Brunswick situation was mentioned frequently. On the first day, for instance, the vice-president for Canada of The Newspaper Guild, Glen Ogilvie, presented a brief which said the Guild was greatly disturbed by the high degree of concentration of ownership of the media, and in support of that commented: "We feel the treatment given news adverse to K.C. Irving's non-newspaper holdings by his New Brunswick papers gives ample demonstration of the potential for dishonesty inherent in such monopoly." (This statement, incidentally, as the brief presented to the committee by *The Mysterious East* pointed out, was not reported by the Irving press.)

On January 22, the president of the Canadian Labor Congress, Donald MacDonald, testified before the committee. Asked by Senator McElman whether labor had problems with the media, MacDonald replied: "Well, Senator, I could write a book on my difficulties with the media in Saint John, New Brunswick. I ran a number of strikes there and I was responsible for organization in your province, Senator."

"Yes, I know that is true."

"There is no place in this country," MacDonald went on, "that will stand up by comparison to the experience that we have in Saint John, New Brunswick."

"With the media?"

"With the media."

"Would you," McElman prodded, "care to elaborate on that?"

"I am nearly twenty years removed from what my colleague refers to as my native habitat, but I can still recall with considerable incense," MacDonald went on vaguely, "as you know, some of my experiences in that city."

"Would you," Senator McElman tried again,

"care to elaborate on your experiences with the media?"

"Yes, sure." MacDonald started over, "I will just talk about two experiences. They go far back, because as I say it's nearly twenty years since I have been removed from the Maritimes. I was responsible for two major strikes, the conduct of two major strikes, right in the heart of the city of Saint John. One, the veneer plant that you might recall . . ."

"I do."

"And the other one with Irving Oil."

"I recall that one as well." McElman, knowing that the details were part of the public record, tried to get MacDonald to push on.

"I was in Saint John, New Brunswick."

"Who," McElman interrupted, making sure to get everything on the record, "were the owners of the veneer plant?"

"Mr. K.C. Irving, as I recall," MacDonald said. "I tried by every means available to get some coverage. There was no TV at that time, and I tried by every means that was possible to get some coverage — these were important strikes at different times, and considerable times apart, I must say — and I never had . . . or never did succeed. As a matter of fact, what I resorted to was printing our own handbills trying to tell factually what was going on, and distributing them free to the pedestrians on the street so we would at least get some dissemination of information in that city."

"You tried both the print media and radio?"

"Both the print media and the radio, that's right."

"Who," McElman asked like a trial lawyer, "owned those, sir?"

"I don't know," MacDonald answered, unwilling to commit himself. "I don't know. But I have my suspicions — but I can't support them."

"Well, I can tell you we have had evidence before the committee that Mr. K.C. Irving owned them."

"Well, Senator," MacDonald replied, "that was my suspicion." (This exchange, also, went entirely unnoticed in the Irving press. The closest any paper came to mentioning it was in one sentence of a Canadian Press story summarizing the CLC brief printed in the *Telegraph-Journal*: "Trade union news in newspapers is 'skimpy or distorted.")

But the day on which the whole attention of the committee was focused on New Brunswick was December 16. On that afternoon the committee received briefs from K.C. Irving Ltd., the Saint John *Telegraph-Journal*, and the Frederickton *Gleaner*, and heard the testimony of Irving himself, Ralph Costello, and Michael Wardell.

Wind-up stereo!

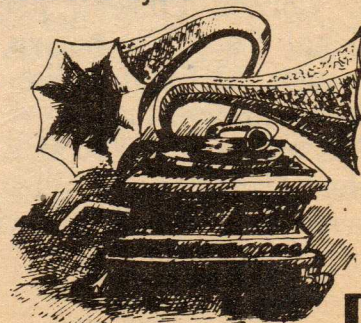
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Irving's brief was short, direct, and blunt. In it he said that he did not have anything to do with the operation of the media holdings, stated that they had declared no dividends since he had owned them, and made his customary impassioned plea in favor of New Brunswick ownership of New Brunswick endeavors. He concluded: "Almost any New Brunswick corporation, subject to national or international competition, must, if it is to survive successfully, either diversify its activities or itself become national or international in scope. If the latter happens, the head office will no longer remain in the Maritimes. I prefer diversification. Call it conglomerate or what you will — in New Brunswick it contributes to survival."

But his opening remarks before the committee were not so objective. Describing the background of hostility between Wardell and the New Brunswick government of Louis Robichaud, Irving set the keynote of the afternoon — which, with a few breaks for questioning by the senators on the committee, was to evolve into a concerted attack on Senator McElman. Recounting the way the Robichaud government had revoked Wardell's customary exemption from the provincial prohibition on liquor advertising, referring to McElman's "definite plan," going back several years, to attack his newspaper holdings, and generally impugning the senator's motives, Irving began a verbal attack which was to last the afternoon, and which gave off what *Maclean's* magazine would call "the smell of raw power."

Irving's testimony in response to questions was surprisingly frank, and we have quoted extensively from it elsewhere. Two disclosures, however,

are important at this point. One involved the Fredericton *Gleaner*. Irving's testimony made it clear that, contrary to Wardell's published remarks, the deal was hardly a simple sale, and that the connections between the *Gleaner* and Irving's empire predated the acquisition that McElman had publicized. Senator J. Harper Prowse began the line of questioning. "Was your most recent acquisition the *Daily Gleaner*? When, on what date, did you acquire the *Gleaner*?"

"What do you mean by 'acquired'?"

"Control . . . complete your arrangements with Brigadier Wardell . . . that you acquired the interests you now have there?" Prowse was clearly confused by Irving's response; what did control mean if not purchase?

Irving was not going to be any help. "I am going to answer your question the only way possible. The date that you are referring to is May 15, 1958, I believe."

"I do not know," Prowse assured him, "what the date is."

"Yes." Irving was not going to volunteer information. "Well, that is when I made a certain arrangement with Brigadier Wardell."

Senator Davey was getting everything down. "May 15?"

"1968." Irving suddenly realized he had mis-spoken himself earlier. "I am sorry. That is correct; 1968."

Senator Prowse pursued the matter. "When was there any announcement made by anybody as to when that had happened?"

"I am not too sure," Irving said, as well he might. And it was clear he did not want to get into the subject any deeper. "But you understand

I might mention this with details . . . certain things are not complete yet with Brigadier Wardell. I do not think that anything . . . that I should go on talking about things that have taken place and . . . possibly not completely dealt with."

Senator Prowse wanted to make sure that Irving did, in fact, have control. "Your transaction is not completed? You do not have the full right to exercise the fifty-one per cent or whatever it is you hold now?"

"I have not exercised any voting rights or anything and . . ."

Irving found a way out. "You are asking me to disclose my arrangements with Brigadier Wardell."

"No, sir, I have not."

"All right." Irving was adamant. "Please do not ask me that question."

"What I was asking you," Prowse explained, "was if you are saying that you have not completed your arrangements with him yet."

"We have completed them, yes, to a point, but now I would prefer not to go beyond that unless I am required to. And I am not trying to mislead you, but . . ."

Davey saw the attempt was fruitless. "We will accept that."



What was interesting about the dialogue was partly that this was the first public indication of the date of Irving's take-over of the *Gleaner*. But perhaps even more significant was Irving's secretiveness and the clear suggestion that the arrangements between University Press and K.C. Irving Ltd. were complex and probably predated the actual takeover of control.

The other revelation concerned the long-standing attempt by Irving interests to gain control of CKCW in Moncton, the only other television station in the province. Asked whether one of the Irving companies was a minority shareholder in CKCW-TV, Irving replied, "I am not a shareholder of that station."

Senator Prowse clearly had something in mind. "Do you have any interest or any claim on any part of any of the shares of that station that are held by anybody else?"

"Not on the shares; no." Irving was not going to be helpful here either. "You are getting into perhaps a situation there, but I don't own any of the shares."

"Do you exercise any control over any of the shares?"

"No."

Senator Prowse was not going to give up that easily. "Do you have a financial interest in any part of, any interest in the station?"

"Well, no." They didn't have the formula yet. "I have no financial interest in the station."

"As collateral or otherwise?"

"Well, now, that is a different matter." Perhaps he should throw Senator Prowse a hint. "I don't hold any shares as collateral myself."

"Does any one of your companies or your sons?"


"My companies do not hold any shares of collateral," Irving said, continuing the game and throwing another hint, "but there was an obligation of a party that did own those shares. However, I do not hold those shares as collateral."

By this point, everyone was sick of the game. "Thank you." It never became clear that the shares had been owned by Frank Brennan, Ir-

SUNDAY PAINTER IN THE NEWS

Arthur Villeneuve used to be a barber in the Quebec town of Chicoutimi. He was also a Sunday painter who made such an impression on the art world that the Montreal Museum of Fine Arts honored him with its largest one-man show ever. You may remember reading about Villeneuve in *TIME*, and seeing color reproductions of his paintings.

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ing's first financial partner, with a business association dating from 1929, and that Brennan had sat on the board of directors of *CKCW-TV*. But it did become obvious that there was some connection between *CKCW* and the Irving empire, and that the acquisition of media outlets was still an active policy of the company.

Ralph Costello was next up. He mounted a vigorous and well-argued defense of the conduct of the newspapers, and an even more vigorous attack on Senator McElman's presence on the committee, concluding with a demand that McElman withdraw. His testimony centred on issues concerning the operation of the papers, and concluded in a sarcastic debate with McElman about why the newspapers had opposed the Equal Opportunity legislation, with McElman contending that they had opposed it because Irving opposed it, and Costello that they had opposed it because it was bad for the province.

The afternoon ended with Michael Wardell describing his persecution at the hands of the Robichaud government, which, he said, had implemented its plan to destroy him by taking away his liquor advertising revenue and his government printing contracts. It was his contention that the committee had been set up specifically to harass the *Gleaner*, and he clung to the view in spite of protests by the senators. The Combines Branch "raids", the Davey Committee, the liquor advertising and printing conflicts were all, he contended, part of the same McElman-Robichaud campaign.

Senator McElman, outside the hearing chamber afterward, was quick to point out the diversionary character of the attack on him and the Robichaud government. Calling the afternoon's performance a "circus," he said it seemed to him the Irving people had wasted a lot of their time talking about irrelevant concerns, and that it reminded him of three elephants trying to trample a flea — "They rather got their feet entangled."

The reports of the day's events in the Irving papers were, as might be expected, spectacular; and the angle in their coverage was, equally predictably, to stress the attacks rather than the revelations about Irving's operations. "Irving Charges Robichaud Tried to Destroy Wardell," shrieked a banner headline in the next day's *Gleaner*; "Demands that McElman Resign from Committee Made at Media Inquiry." The previous evening, the *Gleaner* had published a front page story on its own brief, headed "Wardell Says Media Inquiry Part of Attack on Freedom of Press." In both cases, the stress was on the roots of McElman's actions in the Robichaud-Irving conflict of the previous decade, and on the persecution of Wardell. "The experiences I have suffered," he said, "in this connection constituted a degree of insult, harassment and attempted intimidation never before, I believe, applied to the free press of any country under a democratic government."

The *Telegraph-Journal* also stressed the attack on McElman, though not quite to Wardell's hysterical extent. Its front page the morning after the Irving testimony featured a four-column box the length of the front page, topped by a picture of Irving glowering at Davey, and headed "McElman Challenged at Press Hearing — Irving Says Premier Tried to Ruin Wardell."

Another burst of publicity attended the tabling of the first volume of the Davey Committee's report, *The Uncertain Mirror*, the following December 9. For while the report did not focus on the situation in New Brunswick, it did make its opinion clear. And it did so in what were often memorable terms. It said, for instance, that "New Brunswick, of course, is the outstanding example of conglomerate ownership," and called the situation "about as flagrant an example of abusing the public interest as you're likely to find in

Canada," claiming that it had produced in the Maritimes what could only be described as a "journalistic disaster area."

It was vivid in its description of the kind of bad journalism that characterized such an area. "There is a third kind of newspaper in Canada," the report said, "— the kind that prints news releases intact, that seldom extends its journalistic enterprise beyond coverage of the local trout festival, that hasn't annoyed anyone important in years. Their city rooms are refuges for the frustrated and disillusioned, and their editorial pages a daily testimony to the notion that Chamber of Commerce boosterism is an adequate substitute for community service. It is our sad impression that a great many, if not most Canadian newspapers fall into this classification. Interestingly enough, among them are some of the most profitable newspapers in the country. A number of these newspapers are owned by K.C. Irving."

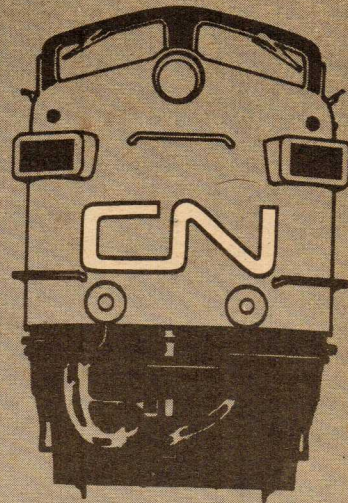
The committee also took some pains to make clear the kind of complex relationship that might obtain between owners of newspapers and the papers' policies. Concentration of ownership such as was found in New Brunswick, they said, "could also — but not necessarily — lead to a situation where the news (which we must start thinking of as a public resource, like electricity) is controlled and manipulated by a small group of individuals and corporations whose view of What's Fit to Print may closely coincide with What's Good for General Motors, or What's Good for Business, or What's Good for My Friends Down at the Club. There is some evidence, in fact, which suggests that we are in that boat already."

The publicity generated by the report was spectacular and, on the part of the Maritime press, coverage was almost uniformly hostile. Front-page editorials in the Irving papers attacked it as biased, inaccurate, possessed of "sickening weaknesses" and an affront to public credibility. But for the long run, the report had brought up issues which were not likely to be disposed of by vilification of the committee's motives and membership. The extent of Irving's domination of New Brunswick, for instance, had never before been made as clear to so many people. The subtlety of the relation between ownership and editorial policy had never received such intense public scrutiny.

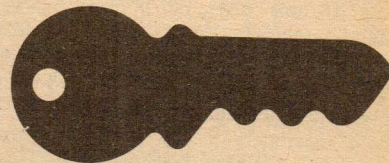
Opinion ranged from the report's suggestion of the "What's Good for My Friends Down at the Club" hypothesis to Senator McElman's darker suspicions. "It is not," he said in a Senate speech the spring following the report's publication, "primarily the balance sheet that concerns these financial-industrial tycoons . . . It is not the prestige of being owners and publishers of newspapers. It is not the earnest desire to lead, editorially, public thought toward progressive social reform and higher human purpose. The primary purpose is none of these. The primary purpose is to grasp power and more power. They want the power to choose and appoint publishers and editors who share their philosophy, or who will at least operate the newspapers in strict accordance with their philosophy."

By hiring "pawns," McElman charged, the owner puts himself in a position in which he never has to actually exercise his power. "His choice of top pawn or pawns ensures that things will work to his entire satisfaction. He can then testify publicly, or even before committees of Parliament, that he has never interfered with the operation or editorial policies of his newspapers. He can even appear mystified to explain, under questioning, just why he ever bothered to buy up newspapers. He really cannot explain why he is in the business."

"There," he concluded, "is the power, the power to decide what will and what will not be-



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come public issues. The greatest concern lies in the power to determine what will not become public issues."

It seems clear that, in the Irving case at least, the answer lies somewhere between those two viewpoints. But whatever one chose to believe about the question, it was clear that for once it was someone other than newspaper owners who were deciding what was to be a public issue — that regardless of the preferences of the owners, the question of press ownership had become a major public concern.

Equally public was a new level of understanding of press monopoly in general and Irving's in particular. In general terms, the Davey Committee made the public aware of the immense profitability of mediocre newspapers, and the reasons why it was desirable to reinvest the profits — in equipment and in other newspapers — rather than to declare dividends. "Under our tax laws, shareholders are taxed only on the earnings they receive as dividends. The remainder, the profits the company keeps in the treasury as retained earnings, aren't taxable until they're distributed. The effect is that corporations which keep earning profits build up larger and larger reserves of retained earnings."

These, in turn, drive the price of shares up, allowing shareholders to take the profit in non-taxable capital gains rather than in taxable dividends. And, of course, the retained earnings must be reinvested somehow and there is only so much machinery a newspaper can absorb. Beyond that, what better investment for a newspaper company than another newspaper? Additionally, of course, largeness is itself an advantage because the larger you are the easier it is to borrow money or (if you aren't Irving) raise equity capital by selling shares to the public.



An implication of the Senate investigation which is more specifically applicable to the Irving media empire is the documentation of the fact that the empire was more than a mere accident. It was through the committee's transcripts that New Brunswickers first had an opportunity to learn the dates and extent of Irving's ownership of the media, of his attempts to gain control of CKCW-TV in Moncton, and of his company's application for the cable television franchise for Saint John in 1968 — an application, by Irving's Saint John Cablevision, whose aim was, as Costello himself testified before the Davey Committee, to preclude someone else getting the franchise.

This pattern of activity makes it clear that the dinosaur had — and has — as a policy the aggressive acquisition of a media monopoly. It had been known for years in New Brunswick that Irving would buy anything — anything at all — in the lumber business (at a price); now it was clear that the same applied to the media.

There is an important consideration, however, which the Davey Report — along with most commentators — have missed, although the basis for perceiving it was laid in the report. That consideration can be phrased like this: In measuring the power of a newspaper, its effect on public opinion, the public editorial position taken by the paper is dwarfed in importance by the paper's unspoken, and probably unacknowledged, assumptions. This can be made clearer by a couple of examples.

In 1965, the Saint John Common Council proposed to build a bridge across the harbor. The bridge was an important project, and during the year there were infrequent reports in the paper of plans, of construction contracts to be let, and so forth. In October, however, K.C. Irving suddenly decided that the bridge would be bad for Saint John (as well as for his fleets of trucks and busses, which would have to pay tolls) and that a bypass (which would be cheaper and thus toll-free) would be a better plan.

For a month, the papers were full of reports of the "citizens' committee" that was formed by an Irving legal adviser and one of Irving's sons, and suddenly the papers' editorial policies were unanimously in favor of the bypass, as was the radio station. Whether the papers were, as McElman charged during the hearings, co-ordinated by the Irving interests, or, on the other hand, as Costello claimed, simply convinced by the logic of the "citizens' committee's" presentation, the effect was the same.

Brigadier Wardell wrote an editorial on October 14, offering congratulations on the "extraordinary barrage of publicity used by Mr. K.C. Irving and those who support him in Saint John, to bring about a last-ditch revision of the harbor bridge scheme, which must be startling to those not conversant with the use of all media of public information to create the impact of an idea."

Interestingly, however, the effort failed utterly, and, perhaps surprisingly, the Common Council unanimously voted, after studying Irving's counter-proposal, to proceed with the bridge. The publicity blitz — perhaps precisely because it was a blitz, and everyone recognized it as such — failed.

At the same time that Senator McElman asked Costello about the bridge campaign, however, he brought up another issue whose implications are quite different, perhaps opposite. "Was there not," he asked, "co-ordination of the media in announcing the expansion of the Brunswick Mining and Smelting project in October of 1964?" "No," answered Costello, "not co-ordination." Certainly there had been a major event, and the papers had all covered it. But co-ordination? Certainly not.

Later that afternoon, McElman came back in with a copy of the front page of the October 27, 1964 *Telegraph-Journal* and described it at some length. To say the least, it was an eye-catching story: A province-wide television announcement by Louis Robichaud and John D. Park, at that time Irving's right-hand man, had announced a \$117 million expansion at Brunswick. This formed the substance of a red banner across the top, in a "circus" make-up; the black headline below the paper's name said "Steel Mill to Cost \$64 Million." A smaller headline below that said "\$90 Million Benefit to New Brunswick."

A two-column, ten-inch box was headed "What it Will Mean to N.B." and included a bold-face list of consequences. About seventy-five per cent of the front page, an equal amount of page three and a two-column, fifteen-inch editorial were taken up with the announcement. There were elaborate maps and diagrams and the complete text of Robichaud's announcement; there were photos of Robichaud and Park standing before charts. (There was not, however, any mention of the fact that Engineering Consultants Limited, the company headed by Park which was planning the expansion, was a wholly-owned subsidiary of K.C. Irving, Ltd.)

Concluding his description, McElman then explained that the elaborate detail was not the result of eager and aggressive news-gathering, but rather the result of a meeting, between personnel of Engineering Consultants and the papers and the television station, at which ECL had laid out the whole campaign.

After some controversy about whether Costello himself had been at that meeting (McElman claimed to remember him; Costello claimed not to remember such a meeting), McElman asked: "Would you find it surprising if I recalled that on this occasion representatives of the broadcast media and of the newspapers did take part in the preparation of this whole production in advance...? Would you be surprised if I recalled that, let's say, senior representatives of both broadcast and the print media were brought in to discuss this and the whole thing was laid out, the charts were prepared with the assistance of art staffs so they would show up well on TV and this sort of thing; as well as reproductions in newspapers, and that the whole effort was co-ordinated well in advance?"

Costello was cautious. "The question which you asked me was would it surprise me if this sort of thing did take place, and the answer is, no, it would not surprise me. It could take place at any time. If a press conference was called —"

McElman interrupted, saying it had been no press conference. Costello said that whatever it was, it wouldn't surprise him on a thing of that size. McElman asked George Cromwell, the general manager of New Brunswick Broadcasting, whether he didn't recall the meeting, and then turned to W.A. Stewart, the station manager.

"Yes, I recall some preparation. There were preparations made for paid broadcasts and we were asked to arrange a network of stations, if I remember correctly, which we did. I produced a program and the only other thing that I know, that I recall, was that there was great secrecy about it. The talk was put on a teleprompter, I believe, and that was delivered to me a matter of an hour or less before the program went on the air to safeguard against a premature break on the thing. The program, I think, went on the air somewhere between 6.30 and 7.00 and I produced it."

A few moments later, McElman restated his point. "The point of the whole exercise is that I do recall it very clearly that there was co-ordination. There was no press conference as such. There was a co-ordination. The co-ordination was done, not at the insistence of government, but at the insistence of ECL, a wholly-owned subsidiary, under the direction of Mr. John Park."

Costello was admitting nothing. "Well," he said, "that is information that you have and I am not familiar with it." But he didn't have to admit anything. McElman's point was made. Its implications, however, were not yet clear. For though both these incidents do show that the Irving dinosaur is capable of co-ordinating the media to its own advantage, there is a fundamental difference between them.



In the bridge controversy, the clear intention of the papers was persuasive, and as such their editorial position was of central importance. In the case of the Brunswick expansion, however, no one realized that the intent was equally persuasive; it seems clear from Stewart's testimony and Costello's that they thought of the announcement as purely informational.

The decisions about the value of the project, and the value of announcing it in a spectacular way, seem to have been taken long before the problem became a conscious one. No one raised a question as to whether a mere projection by

an almost unknown and as yet untried company was worth such an overwhelming propaganda burst. If someone had pointed out that much of the projected new industry was very hypothetical at best, and might not develop (as indeed it has not), he would, clearly, not have been taken seriously.

So the effect of the announcement, and the even more spectacular announcement the following Spring of the opening of the first phase (which involved not only equally elaborate coverage, but a special twelve-page "mining section" of the paper) was, in fact, as persuasive in intent as the campaign to relocate the bridge had been. The difference was that in the Brunswick case no one acknowledged it, and there was no test of its effectiveness.

But clearly its effect was to make people take John Park's and Kenneth Irving's pipe dreams with solemn seriousness, and to build into the popular consciousness an assumption about the importance of such industrial announcements and such plans. That such things work brilliantly can be made clear by reading the letters columns of the papers every time Irving's name comes up or every time someone questions New Brunswick's blind commitment to the sponsoring of resource-based industry.



If the Davey Committee failed to stress adequately the force of such unspoken assumptions in the conduct of the press, and too often projected a paper's opinion and measured its impact from its editorial columns, it did not miss an equally crucial point, which is that for the average citizen there is little recourse when he is unhappy with the press. A common argument of the newspaper publishers was that "the public is our judge" — indeed, that argument was central to Ralph Costello's defense of the Irving monopoly.

The Davey Committee, in its report, quoted Donald Cameron's testimony: "In Fredericton, a good many of us have looked at our daily newspaper, affectionately nicknamed the *Daily Weiner*, and we have judged. We consider the *Gleaner* a dreadful newspaper. So what? No consequences follow from that judgment. There isn't any provision for any consequences to follow. This committee is the first opportunity I can recall for any dissatisfied citizen to do anything meaningful at all about the media."

For some aspects of the problem, however, there is recourse, as Maritimers were reminded in the Spring following the media report's appearance. On March 31 and April 1 and 2, investigators from the Combines Branch again conducted a search of executive files in the New Brunswick newspaper offices, under a warrant signed by Judge Charles F. Tweeddale of Burton, in whose court the preliminary hearing was to be held.

Again there were anguished cries from the newspapers concerned; and on April 27 a hearing was held in Saint John in the court of Mr. Justice Albany M. Robichaud of the New Brunswick Supreme Court on whether the warrants should not be quashed and the evidence seized by the investigators returned. The warrants were not quashed, however, and on December 8 charges were laid at Judge Tweeddale's court in Burton.

There were four charges. The first applied to K.C. Irving Ltd. and asserted that the corporation was party to a merger in which it took over University Press, whereby "competition in the producing, supplying, selling or dealing in English lan-

uage newspapers in New Brunswick" was lessened. The second charged that K.C. Irving Ltd., Moncton Publishing, and University Press were parties to the formation of a combine; this applied to the dates between 1948 and 1960, when the law had been changed, and a third charge covered the period between 1960 and the present, under the new law. A fourth charge stated that the four companies had formed a monopoly. In the first cases, Irving, Costello and Wardell were declared to be parties to the offence, though they were not charged.

Preliminary hearings — to determine whether the evidence was sufficient to bring the companies to trial — were held in Judge Tweeddale's court some ten miles below Fredericton on the banks of the St. John River during the Spring, and on July 17, Judge Tweeddale decided that there was, indeed, enough evidence to try the companies.

But the legal problem was a complex one. Canada's anti-combines laws, as D.H.W. Henry had testified before the Davey Committee, were "too blunt an instrument to deal with concentration in its incipency and are probably too inflexible to deal effectively with the real issues involved in continuing concentration in mass media."

There are a number of reasons for this. One explains why the broadcasting companies were not to be involved in the trial. The Combines Investigation Act only applies where there is a product. In the case of a newspaper, the daily stack of paper itself is a product — but, clearly, there is no tangible product from a broadcasting station and so the law simply does not apply.

But even where the law does apply, it is hardly a model of clarity. There are, for instance, two tests for whether a merger is unlawful under the present anti-combines legislation: It must restrain or limit competition, and the limitation must be detrimental to the public. But it has never been made clear precisely what the "detriment of the public" amounts to — and this question, in the case of newspapers, is clearly a crucial one.

For if, as courts have normally held, "detriment" must be measured in financial terms, the case is next to impossible to prove. Even if it were to be allowed that the detriment of the public could be interpreted more broadly, it is pretty difficult to demonstrate that the public's ignorance of the whole history of the *Irving Whale* before its sinking is "detrimental."

Equally interesting — and equally disheartening — is the fact that Combines Act investigations and prosecutions have never produced a divesting order, an order to break up the monopoly. There have been only two important precedents in the courts. One involved a series of mergers which allowed Canadian Breweries to dominate the brewing market, and another which involved a British Columbia sugar refinery acquiring a Manitoba one and creating a monopoly of sugar refining in western Canada. But neither of these eventuated in a divesting order. The brewing case was dismissed on the grounds that, first, since the price of beer was regulated in any case, the Combines legislation didn't apply, and, second, the degree of concentration — between sixty-five and seventy per cent of the market — was not sufficient to constitute a violation. The sugar case was struck down because there still was competition from eastern Canada. And that's all the precedents there were — hardly an encouraging prospect.

D.H.W. Henry said, in his presentation to the Davey Committee, that the courts "have held that competition must be virtually stifled before the merger can be struck down under the law," and that the courts "have been reluctant to enter into any sophisticated economic analysis of the situation resulting from the merger and have tended in lieu thereof to find a reasonable doubt in the

CANADIAN COMMUNITY JOURNALISM AWARDS

1973

Column writing

Winner:

Muriel Grant
The Express
Meaford, Ont.

Our hometown paper

Winners:

Judy McIntosh,
reader of
The Times
North and
West Vancouver, B.C.

and

Cloudesley S.Q. Hoodspith,
Publisher

dominion textile
limited

face of evidence of some competition remaining."

Which brings us to another fatal flaw in the Combines legislation; it is written as part of the Criminal Code, which means that the case must be established "beyond a reasonable doubt" — an almost impossible task in economic situations.

Another implication of the fact that it's a criminal procedure is that there can be no regulations based on it — either the action is illegal or not, and the only test is the court. Moreover, there's no way (because the regulations do not exist) to proceed against a monopoly in its early stages.

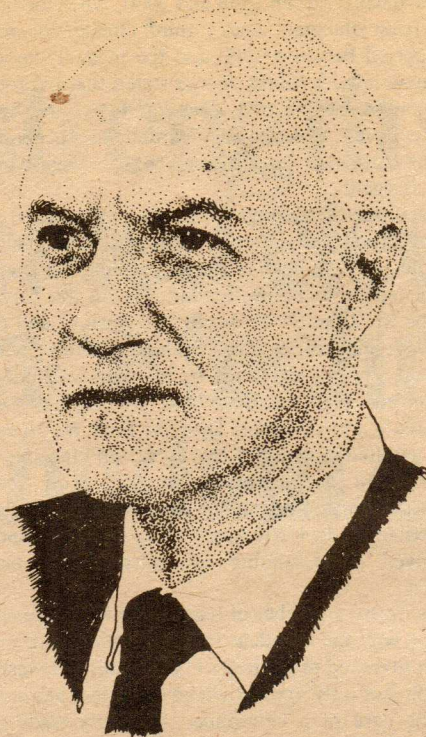
As Henry pointed out, the law "could be invoked only in the final stages of monopolization when concentration has proceeded far beyond the degree where competition remains in effective force."

Even before Judge Tweeddale decided the case was a substantial one, however, two things happened which made it almost an academic matter. On December 23, 1971, K.C. Irving himself had relinquished all his personal property in Canada to the corporation, turned over effective control of his business affairs to his sons, and left New Brunswick to take up residence in Bermuda, thus effectively removing the central figure from the stage.

And then, on the following June 16, it was announced that the media empire had been reorganized. K.C. Irving Ltd., which had owned the Moncton, Fredericton and Saint John publishing companies outright, had transferred its interest in Fredericton's University Press Limited (publisher of the *Daily Gleaner*) and in Moncton Publishing (the *Times and Transcript*) to the youngest Irving brother, John, who had in turn given up all his interest in K.C. Irving Limited, the family's central holding company. In addition, K.C. Irving relinquished its control of New Brunswick Publishing (the *Telegraph-Journal* and the *Evening Times-Globe*), with James Irving (the oldest) and Arthur Irving each acquiring a forty per cent interest in the company. K.C. Irving Ltd. retained only a twenty per cent share.

Whether this was done in order to forestall a feared divesting order, or as part of a more general dividing up of the whole dinosaur, was not clear. But as many New Brunswickers knew, whatever the formal arrangements might be, blood is thicker than paper. The media empire remained intact. Even so, something fundamental had changed in New Brunswick; control of the province's access to information could never again be restored to the level of completeness that Irving had attained in the fifties and sixties.

The question remained, however, whether New



Brunswick's history might not have been vastly different if the media had been aggressively independent, sceptical and tough-minded during the period of Irving's expansion.

Would the Brunswick fiasco have occurred if journalists had been more sceptical about all those grandiosely optimistic announcements? Would Irving companies have been able to acquire and retain all the lavish tax concessions and legal exemptions which underwrote their spectacular successes? How far might Equal Opportunity have changed the face of the province if the money to finance it could have been squeezed from the corporations? Would pulp mills, oil refineries, and deepwater ports in other hands, forced to compete with each other, have benefited the province more than Irving's stupendous singlehanded effort?

Almost equally important, would the rest of Canada have seen a different New Brunswick, one, perhaps, posing different problems and requiring different policies, if the image of the province presented in the national press had not been composed at Canadian Press desks in Irving city rooms? Probably even more important is the fact that the major sources for a history of New Brunswick in the twentieth century are to be found in the newspapers' files — and what is included there is what the Irving press found important enough to cover and significant enough to preserve. How different might future histories of that province be if the newspapers had been owned by Atlantic Sugar? Or by completely independent professional journalists?

Such questions can probably never be answered definitely. But if you accept that the dinosaur has been the most important single element in the history of New Brunswick in the middle of this century, there can't be much doubt that New Brunswick — and eastern Canada as a whole — would be a vastly different place if the dinosaur had never existed. Nor can it be seriously disputed that the dinosaur's control of the media — whether directly through ownership or indirectly through influences — has been central to its control of the province and therefore to its own growth.

As to the future, it is clear that the dinosaur's growth will be slowed, at least — perhaps arrested — by the departure of its guiding genius from the affairs of the New Brunswick section of what had become by the onset of the seventies a multinational empire. As the dinosaur's vigor slackens, the importance of its domination of the media will decrease. But its imprints on New Brunswick's history and the shape of its society will not fade.

If you want your back patted better do it yourself...

No one else will.

Wearing colors selected for them by Aislin, are The Gazette's two winners of National Newspaper Awards this year. The tall, intellectual streak, whose colors relate to a neighborhood of a metropolis to the west, is Dave Billington, first winner in the new award category of critical writing. As entertainment editor he bats down censors, goes to bat for Last Tango and encourages a zestful approach to the Lively Arts.

Standing uncharacteristically at Billington's feet is a champion of an intown suburb closer to home, Tim Burke, who won the sports writing award for his series on the problems of black athletes in Montreal. A top reporter with experience on all the beats, he has brought a critical and incisive technique to bear on sports writing. (Scotty Bowman please note.)

Good mornings
begin with

The Gazette
MONTREAL



ASTIN 78

PRESS COUNCILS: A CRITIQUE

by DICK MACDONALD

The pity about press councils, those few we have in the world, is that they should have to exist at all.

It would be preferable if our news media didn't need watchdogs — such as press councils are — because there should be enough integrity within our communications industry to continually satisfy the public interest.

Tragically, that is not the case: Most of our news media seem to forget that they hold a trust, and, consequently, there are cries for a more responsible media. Ergo, press councils.

Press councils by themselves, however, do not offer a panacea for curing the media's ills. Those who think so — a few publishers, the record would show — are naive. Press councils are but one vehicle by which the public can express annoyance or dissatisfaction with the job being

performed by their particular newspapers; in the case of Quebec, radio and television, too.

The Quebec council, three years in gestation, has yet to prove itself. So we must say the jury has not even retired to render a verdict. The Ontario and Alberta councils, however, have shown themselves to be ill-conceived and ill-equipped. They lack any kind of clout and probably indicate that they were established as token gestures by comfortable publishers who, as have most industrialists, been bothered by all this consumerism talk.

The Senate committee report on mass media in 1970 recommended a national press council, which doesn't seem too practical, but that could only come about when there is better communication in the communications business. The committee also said there should be regional and local press-review councils, and the Ontario and Alberta groups undoubtedly grew from that recommendation (the Quebec council was being planned even before Keith Davey held his first hearing in Ottawa).

The Davey Committee saw press councils as informal courts of appeal, where readers, if they couldn't resolve a complaint by speaking to an editor, could find a receptive ear.

But it is not solely a question of complaints about presumed mistreatment by the media that should concern us. More important — and, it is true, the Quebec press council seems to be on this abstract track — is the way in which the media present events and processes: The *handling* of "news." What is considered important, what is discarded? How do you ensure fair treatment of individuals? These are questions which must be of concern to the public (they are of continuing concern to principled journalists).

The Davey Committee emphasized that a press council must not function as a *substitute* for consultation between newspaper and complainant. A council is, then, a supplement to the desired dialogue which should—but too often doesn't—exist between the newspaper as an institution and the public it purports to serve.

It is not enough to say, as many small-city (and a few big-city) owners have, that the public, if dissatisfied with its news media, should switch channels or buy another paper. The trend toward a concentration of media — meaning fewer voices — simply doesn't allow someone to turn the dial or to seek out another local newspaper. And invoking the letters-to-the-editor argument is nothing short of childish.

Today, only the Combines Act exists to examine the ramifications of media mergers and business practices, but few prosecutions have ever been attempted. The Davey Committee wanted a press ownership review board, but nothing has been done in this respect.

So, if we are faced with such a concentration (special-interest magazines notwithstanding), the

onus is on the media which are left to do a much better job. Most aren't. They're lazy, first, and worried about profits, second. Unfortunately, press councils are not going to turn around that attitude, though they are, to be sure, a step in the right direction.

About the only "weapon" available to press councils is the power of embarrassment or persuasion. That can be effective in some communities, yet one of the faults of the Ontario and Alberta press councils (those in Britain, Scandinavia and the United States are in much the same position) is that any decisions they do make are given minimal publicity in the media. On second thought, that is not so much the fault of the councils but of the various media — which probably indicates, after all, the need for watchdogs or ombudsmen or critics.

The Minnesota Press Council, on which the new national news council in the U.S. has been modelled, has become a substitute for, or an alternative to, libel suits. While on one hand it has declined to fashion an "access" doctrine, on the other hand it has narrowed an editor's discretion to define proper redress.

The council plunged into headline accuracy review, a touchy area. While it refrained from judging the validity of editorial opinion, it reserved the privilege to judge the "factual accuracy and honesty" of editorials, another tender toe in journalism. The Minnesota council's sole sanction is jawboning and bad publicity, and part of its procedure is a requirement that before it will hold a hearing, the parties are expected to mediate face to face.

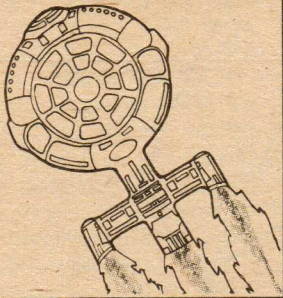
Irresponsible reporting provokes the public to advocate tighter laws. Hence, most people likely welcome the creation of press councils. That they have no legal authority to censure may be an interim phenomenon; if the media don't become more ethical and professional, if they don't remember the importance of fair play, society may eventually demand legislative or judicial controls. When that happens, we might as well say goodbye to our concept of a free society. We do need an unbridled, unrestricted media. But with that rein must go a far superior performance by our media.

At the moment, press councils are largely ineffective, but, of course, they are not the final answer to the media's ills. Perhaps, given strong public support, they can help make our media more aware of their editorial obligations.

The Quebec press council, looking as it is at all news media, may well set an example. If it doesn't, and if our media don't improve, the public's disillusionment will grow. Less credibility we can do without.

Dick MacDonald is Editor and Publisher of Content magazine.

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MORE THESAURUS REVAMPING

by BRIAN BRENNAN

The commendable effort of staffers at the Victoria *Daily Times*, and others, to bring common news media expressions up to date was much appreciated by reporters at the *Citizen* in Prince George, B.C., many of whom had labored under the misconception for years that the terms stood for something else.

As a token of our esteem we submit these further offerings, in the continuing cause of revamping the Thesaurus. They were displayed briefly on the *Citizen* bulletin board before disappearing mysteriously and were almost (horrors) lost to posterity:

DESK—Level of red tape invented by unfeeling management to ensure reporters' stories never appear in print as first written.

BRITE—Short story, usually invented by reporter at the desk's instigation, to fill constant hole in bottom left-hand corner of front page.

LEGS—Middle part of story repeated in different words to give impressive length to an otherwise mediocre yarn. When combined with rewrite of similar story from previous day it can usually

be guaranteed to turn five-inch filler into a line story.

HARD LEAD—Short sentence using one of the following expressions: "blasted," "slammed," "rapped," "branded," "lashed out," "threw cold water on," "castigated," "threatened," "warned," "charged," "accused," etc., to give artificial impact to otherwise mediocre story. Usually demanded by desk to justify selecting a filler with legs for line story.

LOCAL REACTION—Top-of-the-head comment from neighboring bartender (a chamber of commerce spokesman), beer waitress (liquor industry representative), meter maid (civic representative), or passing policeman (legal authority) on any wire story without a local dateline. Used to give readers the impression that postal strikes, bilingualism debates and capital punishment votes have more impact locally than in any other part of Canada.

FOLLOW-UP—The other guy's side of the story, usually carried the following day because, fortunately, he couldn't be contacted before deadline to refute the first story.

REWRITE—New angle on story demanded by desk because the original didn't correspond with the headline planned.

MARRY—Two or more stories combined to form one yarn, regardless of whether they relate to one another.

DIGGER—Radio reporter who attends chamber of commerce meeting, instead of phoning contact afterwards to find out what happened.

ATTRIBUTION—Credit given to such vague individuals as "Ottawa observers," "political pundits," "reliable sources," or "industry spokesmen" for editorial opinions expressed by reporter himself.

FLUSH HEAD—Expression on reporter's face when he learns that previously-cancelled city hall meeting was re-scheduled while he was playing B.S. poker in the pub.

Brian Brennan is with the Prince George Citizen.

LETTERS

MYTHICAL TORONTO

Editor:

Better and better, your magazine, every issue. But I was brought to an abrupt stop by a phrase of Chip Martin's in his useful July piece on freelancing: "Nearly all major Canadian magazines are published in Toronto (notable exceptions being *Reader's Digest* and *Weekend* in Montreal) . . ."

Since when was *Reader's Digest* a Canadian magazine?

And why does everybody insist that Toronto is the centre of the universe? Perhaps it's all a myth?

For instance, in the last little while I've had to write several letters to Toronto media organizations and they have all been unanswered: To the Toronto Men's Press Club, which purported to have a News Hall of Fame; to the Canadian Community Newspapers Association, about the *Canadian Weekly Publisher* tabloid it used to produce; to the *International Press Journal* which deigns to publish sporadically, sometimes using a Toronto address; and to the Canadian War Correspondents' Association, which used to offer a journalism scholarship.

None of these has been acknowledged. One might get lost in the mail, but *four*? That cannot be the explanation. And newsmen must be able to write letters, so that cannot be the problem.

Surely the only explanation is that Toronto is a myth, the grotesque figment of some poor freelancer's demented imagination.

Perhaps easterners are just trying to avoid admitting that Vancouver — home to some fifty magazines — is really where creative Canadian publishing is happening.

Nick Russell
Vancouver, B.C.

THREE YEARS AFTER

Editor:

As we approach the third anniversary of the so-called October crisis, I have been wondering whether our journalistic profession has given much retrospective thought to its performance during that autumn of 1970.

I would contend that, with the occasional exception, most of our media behaved badly. Too many papers treated the whole affair as a crime story; a few managed to put it into a political perspective. Too few ever bothered to ask whether the authorities — and the media, too — were over-reacting.

A mere handful questioned the wisdom of the broad powers the respective governments gave themselves. And, if I'm correct, only a Quebec journalists' association questioned the treatment given reporters and photographers in the pursuit of their duties.

Did our profession profit much by that experience? Or would everyone behave as they did in 1970 if similar events occurred this fall?

I'm curious. Perhaps we could invite comments in your Letters column.

B.G. Daniel
Winnipeg, Man.

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UNIQUE CHESS catalogue. Everything in chess. Send \$1 to: Chess Nut Reg'd., Room 101, 5500 Queen Mary Road, Montreal, Que.

Kingston has a new paper — a weekly called *The News*, a competitor for the *Whig-Standard*. Managing editor is Robert Sabo; owner is H.M. Sly *CBLT* in Toronto won the top international news award of the Radio-Television News Directors Association (RTNDA), which holds its international annual conference at Seattle in October. The CBC station will receive the Edward R. Murrow Award for excellence in reporting on a significant community problem for its hour-long documentary, "The Apartment War" The Canadian Film Awards, marking its 25th anniversary, holds this year's week-long activities in Montreal October 8-12.

Alex Farrell has left the *Montreal Gazette* to become an associate editor of *Reader's Digest* Aubrey Wice, religion editor of the *Toronto Telegram* for 14 years, now supervises production of shows for *CICA-TV*. Following the Tely's death, he was a CBC producer Larry Conroy, a police and court reporter for the *Montreal Star* for most of his life, died at the age of 66 *CFCF* in Montreal lost Joe Van at the age of 47. Before moving to Montreal in 1967, he had worked for radio stations in Detroit, New Orleans and Windsor.

The annual meeting of the Federation of Press Clubs of Canada will be held in Montreal during the Thanksgiving weekend of October 6-7 The federation, by the way, is issuing reminders about the next Michener Award, which is given annually for meritorious public service by media. Further information can be obtained from the Secretary-Treasurer, Federation of Press Clubs of Canada, 150 Wellington St., Ottawa.

The National Press Club will sponsor a major international exhibition of cartooning and news photography at the National Arts Centre, opening October 15. Arrangements may be made to show the exhibit in other Canadian cities. For information, write to G. Pearson, National Press Club, 150 Wellington St., Ottawa The Montreal Press Club is celebrating its 25th anniversary this year. Highlights include a past presidents' night October 5 and a dinner-dance November 2.

A reminder: Media 74 is scheduled for Montreal April 26-28. Preliminary program ideas should be available later this autumn *Le Devoir's* Claude Lemelin deftly rebutted Quebec Premier Robert Bourassa for the latter's naive comments that media concentration is inevitable and the monopolies in the province are similar to circumstances in other countries. From the *Europe Year Book*, Lemelin documented the situation in nations with similar population figures and similar social development patterns: There, the trend toward media mergers is hardly visible. Of course, it must be acknowledged that there are some fundamental differences in the ways in which European and North American newspapers have evolved; the emphasis on advertising revenue and on costly physical plants which we know here is not so apparent across the Atlantic.

miscellany

The tradition of thinking of papers as information vehicles, one suspects, is stronger in Europe than it is here.

"The world has already got more phools than there is any need of." — thanks to the Montana *Journalism Review* for digging out this line from the state's first newspaper, the *Virginia City Montana Post*, in 1867.

Divisional Court of the Ontario Supreme Court last month rejected a finding of a provincial labor department tribunal granting financial claims of former employees of the defunct *Toronto Telegram*. In a unanimous decision by a three-judge panel, the court sent the issue back to Donald Carter, Queen's University law professor, for a new determination. In his ruling on a test case, affecting 500 employees and involving about \$1 million, Carter had found that two former Tely employees were entitled to both severance pay under their union contracts and notice pay under the Employment Standards Act. Publisher John Bassett, who closed the paper in October, 1971, had offered employees whichever of the two was the larger and the two men in the test case collected notice pay. Mr. Justice Neil C. Fraser, who wrote the decision, expressed the view that the Tely's only obligation was to pay the greater of notice or severance pay. Because the court's procedure was a judicial review rather than an appeal, its decision has the effect only of quashing the original finding but not substituting a new one. No appeal is provided for under the Employment Standards Act and this case was taken to

court under the Judicial Procedures Act. Martin Levinson, lawyer for the employees and the Toronto Newspaper Guild, which sponsored their case, has not decided whether to appeal, but guild executive-secretary Hugh Peacock said the union is prepared to take further action to protect the Carter award.

An interesting-sounding conference, "Politics and the Media," will be held September 29 at Toronto's Education Centre, sponsored by the Ontario Woodsworth Memorial Foundation. The day-long seminar will explore what makes up political news, and why; what editorial influences prevail in the media; and the overall impact of the media on the political scene. Among participants are Knowlton Nash, CBC; Dalton Camp, columnist; Sally Barnes, formerly with the *Toronto Star*; Bruce Rogers, CBC; Mel Morris, *Maclean's*; William Kilbourn, author and alderman; Arnold Amber, *Toronto Citizen*; and Marc Zwelling, United Steelworkers.

Ecology Canada, a new monthly magazine very tastefully designed, will appear in October. The Montreal-based, nationally-circulated periodical will retail at \$1. It was funded initially by the Local Initiatives Program. Editor is Howard Elliot. First press-run will be 20,000.

Sheena Paterson is new managing editor at *Weekend* magazine. She succeeds Paul Rush, who has become host on *CBMT's* new *The City at Six* Pierre Boucher, a well-known Quebec actor, is joining the senior advisory staff of the Canadian Radio-Television Commission David Scollard is editorial director and Lynne Thornton is public relations director for the new Calgary-based McClelland and Stewart West Limited publishing house.

Thomson Newspapers has reported net profit of \$11,913,456 for the first six months of this year, compared with \$9,407,237 for the first half of 1972. First-half sales totalled \$75,157,990, up from \$66,022,215 last year.

In its last annual survey, the International Press Institute said that barely one-fifth of the 132 member countries of the United Nations enjoys what can be called freedom of information. E.J.B. Rose, in an article reprinted in the *Regina Leader-Post*, noted that the IPI said freedom of the press exists only in capitalist countries, and went on: "Yet there is a paradox — in capitalist systems, the forces of the market lead to concentrations of ownership, to mergers and to the creation of monopolies which tend to eliminate independent editorial voices and may deprive the people of a real choice of views. Even in capitalist countries, the press can only keep its independence of government if it retains the confidence of the public."

October is *Content's* third anniversary. In that issue, a major report on the press and the poor. Writers include Ron Haggart, Kathy Tait, Ken Whittingham, Pauline Janitch, Ken Kelly, and Roger Bellefeuille.

content

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