



The Brief

Vol. 9 No. 2

A publication of the NB Media Co-op

October 2017

nbmediacoop.org

Bruce Livesey deconstructs “The House of Irvings”

BY SOPHIE M. LAVOIE



Tony Merzetti (left) brought the first edition of the NB Film Co-op’s “Focal Point” newsletter to show Bruce Livesey (right). The newsletter from 1982 had a story written by Livesey, while he was a university student, about the importance of co-ops. Photo by Tracy Glynn.

Time is ticking on the Irving Empire as its generational succession throws up new problems both for the company and the people of New Brunswick, the population it has dominated for eight decades, according to Bruce Livesey, an award-winning reporter for *The National Observer*, who delivered the NB Media Co-op’s annual keynote in Fredericton on Sept. 21, 2017.

The veteran reporter was fired from Global TV when he spoke to Jesse Brown from CanadaLand about his investigative story on the Koch brothers’ ties to Canada being axed.

Livesey grew up in Fredericton and spent summers working for *The Daily Gleaner* while at university in the 1980s. He also volunteered at the NB Film Co-op and wrote an article about co-ops for the first edition of the NB Film Co-op’s newsletter, “Focal Point.”

A Globe and Mail’s *Report on Business* magazine story spawned Livesey’s now eight-part series, “The House of Irving.” The series won the 2017 National Journalism Award for business reporting, the first time that an online publication won the award.

“*The National Observer* is changing the media landscape in Canada, showing that business can be reported on in a way that has the public interest at heart, which is the task of journalism,” said NB Media Co-op editor, Tracy Glynn.

Livesey vs. Irving Round 1

After Livesey’s first *Report on Business* magazine story, Brian Manning from the Saint John Board of Trade wrote a rebuttal piece, entitled: “Let’s Celebrate the Irving Family, Not Criticize Them.” Livesey had asked to talk to the Saint John Board of Trade for the story but had never heard from them. Manning attacked Livesey’s article, highlighting the economic windfall that the Irving company had brought to New Brunswick and to Canada.

Livesey deemed Manning’s attitude in the article as “demented” because the Irvings are enjoying tax rebates and other privileges that go beyond what is normally afforded to companies. According to Livesey: “they have become one of the richest families in Canada, at the expense of New Brunswick.”

Livesey vs. Irving Round 2

Livesey decided to research the company further. The Irving empire includes between 174 and 210 companies, accounts for 1 out of every 12 jobs in the province, and one half of the province’s exports. The three Irving brothers divided the company empire up about 10 years ago. None of the Irving companies are publicly traded so there is no financial transparency. Irving money is in Bermuda, considered “the North Korea of tax havens” by one of Livesey’s friends.

When doing his series, Livesey found it incredibly difficult to find someone to talk to about the Irvings, as had happened when he was calling previously on behalf of *The Globe and Mail*. For Livesey, only organized crime was more difficult to deal with. No former Premier would talk to Livesey, going back

as far as Frank McKenna who was Premier from 1987-97. Livesey caught now Conservative Party Leader Blaine Higgs by surprise when he was in Saint John looking for interviewees to speak about the Irvings. Higgs, who had worked for Irving Oil for about 25 years, had nothing negative to say about the company.

When he was able to interview people, Livesey stated: “you could tell they were extremely guarded. There was a fear in their voice.”

Andy Carson, one of the spokespeople for Irving, would get reports about Livesey’s calls to other people and enquire about his story in a hostile way, but refused to speak to Livesey in person. Only university professors, who had tenure for the most part, were willing to speak, but some also refused out of fear.

Livesey resorted to comparing New Brunswick’s demographics to those of other places in order to see if New Brunswickers were really doing better than other places. “It was the opposite,” concluded Livesey; the province had the lowest median income, the highest average suicide rate, high unemployment rates, the highest out-migration, high illiteracy, high poverty, high taxation, etc. Even the provincial power company is hiking its prices every year by two per cent while it subsidizes power for Irving-owned businesses.

The examples of Irving profiting from various governments are endless. In 2013, it came out that the City of Moncton taxpayers paid \$88,000 per year to the Moncton Wildcats hockey team to compensate for loss of income in its corporate boxes. Robert Irving owns the Moncton Wildcats. Irving also received a \$200 million grant to refurbish its Halifax shipyard a few years ago, but went abroad to look for workers for the shipbuilding operation.

Irving is currently financing “dog and pony shows” to promote the use of glyphosate in forestry operations as safe, according to Livesey, who deems this most recent issue as “the key” to understanding Irving’s influence on the province. Despite repeated warnings about health and environmental effects, Livesey said glyphosate continues to be sprayed only because of forestry interests.

Brotherly love?

Besides the way the Irvings treat New Brunswick, inside the family, Livsey said “they don’t necessarily treat each other very well.” Brothers Arthur and JK Irving are apparently not friendly any more.

Kenneth Irving, the son of Arthur, abruptly left the position of CEO after a mental health break. Two years later, there was a bizarre lawsuit that ended up in the Bermuda courts between Kenneth Irving and Arthur Irving about the trusts that had been set up and would be divided up in Arthur’s will. What this really was about was “to re-establish his relationship to his father,” stated Livesey.

After the release of Jacques Poitras’ book, *Irving vs Irving*, the Irvings brought a formal complaint to the CBC against

the CBC reporter for some of his tweets, showing that the “company does not forgive easily,” said Livesey.

When asked about how long we can expect the Irving empire to exist by an audience member, Livesey responded, “most corporations are in rough shape by the third generation.” Livesey thinks that in 10-15 years, parts of the Irving empire will be sold off.

Irving vs Other Media

Livesey’s *Report on Business* story received two letters of complaint when his original story came out. Livesey was a freelance reporter at the time and managed to come to an agreement with the newspaper. However, Livesey had to confront the Irvings once again when he published *The National Observer* series.

Irving Oil never responded to his letters previous to the stories coming out, but suddenly an extensive feature appeared in *The Financial Post*. According to Livesey, this was “a puff piece” interview with Arthur Irving with no mention of the internal troubles of the Irving family. For its part, JD Irving Ltd. would respond to the letters, through their corporate lawyer and through Mary Keith, their Vice President Communications. Each of their letters would start off in a “nasty” and “over-the-top” way, according to Livesey, denouncing his nosy investigative work.

Livesey came to the conclusion that it’s often media outside the province that ends up writing about New Brunswick. Livesey is of the opinion that, “This is where the NB Media-Co-op, in its effort to create a non-Irving media outlet, is very important.”

Livesey also recognized Miles Howe’s work with the now-defunct *Halifax Media Co-op*. Howe submitted several Right to Information Requests and uncovered intense pressure by the Irvings on the provincial government. Howe’s work “was an exercise in poverty,” said Livesey, since he was making well under \$20,000/year. According to Livesey, the New Brunswick CBC, for its part, “must not appear to be subjective” so, despite having done some good reporting in Saint John, its reporting is limited in its scope.

New Brunswick is “an extremely challenging environment,” for reporters, said Livesey, but there is hope that Irving will no longer be able to “control the message” as much as they were in the past, mostly because of social media.

In a final reference to the forestry sector and the glyphosate controversy, Livesey assured the audience that the Irvings are not heeding the best interests of New Brunswickers, as the recent Dr. Eilish Cleary affair proves. Dr. Cleary, New Brunswick’s former Chief Medical Officer of Health, was preparing to release a report on the effects of glyphosate when she was abruptly fired. Livesey concluded by saying: “the Irvings are the cause of much of the problem and not the solution.”

Sophie M. Lavoie is an editorial board member of the NB Media Co-op.

Smartpods and stupid investments: Who benefits from prison labour in New Brunswick?

By JORDAN HOUSE

Federal prisoners have launched a court challenge aimed at reversing cuts to their wages just as a New Brunswick start-up—Smartpods—is getting off the ground thanks to prison labour supplied through Correctional Canada (CORCAN) and government handouts.

Earlier this year, CORCAN, a Special Operating Agency within Correctional Service of Canada, came under fire from the federal prison watchdog. The Office of the Correctional Investigator told CBC on Jan. 27, 2017, that CORCAN is largely failing in its mandate to provide Canada’s prisoners with the skills and training that would help them find employment upon release. In the words of watchdog Ivan Zinger, “They have to retool the entire CORCAN industry to reflect the 21st century and not factories of the 50s and 60s.”

Smartpods bills its flagship product as the first and only “active motion workstation” designed to move “at different intervals, creating different work levels and guiding employees to move – all without distraction or work disruption.” Simply said, it’s a desk that moves slowly by itself. The company purports that their workstations, which come with a \$2,500 price tag, boost workplace productivity and improve employee health and happiness. While Smartpods are advertised on CORCAN’s website, the company’s website and promotional material makes no mention of the fact that their products are built by prisoners making about 30 cents an hour. CORCAN’s financials aren’t public, so it’s unclear exactly how much Smartpods pays CORCAN to supply this labour.

Thus far, Smartpods is a New Brunswick success story. It embodies the potential of homegrown innovation and entrepreneurial spirit that successive New Brunswick governments have desperately asserted would be the solution to the province’s economic woes. The story of the company, however, reveals exactly how exploitative, ideologically motivated, and ultimately misguided the province’s entrepreneurial development strategy actually is.

New Brunswick needs to invest in its citizens broadly—for example through the expansion of services and by regulating resource extraction—rather than subsidizing a select few entrepreneurs who might be the next Irvings or Olands. And it certainly shouldn’t be encouraging that start-ups, largely funded from the public purse exploit prison labour at the expense of both prisoners and the public.

CORCAN and Prison Labour in New Brunswick

CORCAN has faced criticism for years. In 2013, The Globe and Mail obtained a memo prepared by the Public Safety Department and addressed to then-Conservative Public Safety Minister, Vic Toews. The memo asserted that training “inmates for the jobs of yesterday, or for non-existent jobs, or for jobs in already over-resourced fields in competition with non-offenders is a waste of scarce resources and counterproductive to public safety.” In response, CORCAN stated that it was working on a plan to be more responsive to Canadian labour markets, and that it would implement the plan within the year. Given the recent remarks by the Correctional Investigator, it seems clear that CORCAN has not succeeded in that effort.

More recently, in the fall of 2016, CORCAN was in the news after it was accused of “tokenism” and “exploitation” over its problematic Fur and Shearling program, which hires indigenous prisoners to produce drums, moccasins, dream catchers, and other “traditional” handicrafts. The program markets its products as “handcrafted by Canada’s First Nations, Inuit and Métis people,” but omits the fact that these craftspeople are among the one-quarter of the federal prison population that are Aboriginal. Disturbingly, the incarceration rate for indigenous women is even higher—Aboriginal people make up about 4% of the general population, but Aboriginal women make up more than 35% of the female prison population.

Strangely, the Fur and Shearling goods are not available through CORCAN’s regular product catalogue, but rather through a separate, unofficial website. In the words of Jean-Philippe Crete, a PhD student at the University of Alberta studying the colonial role of the Canadian criminal justice system, “It is problematic that the state is hiring prisoners to reproduce sacred objects of their own culture and selling it to mass markets.” In an APTN article, Cold Lake First Nation and Métis artist, Dawn Marie Marchand, accused CORCAN of exploiting indigenous labour “for profit in the prison industrial complex.”

CORCAN raises serious questions of unfree labour in Canada. While prisoners aren’t formally forced to work, failure to work or perform well at work could mean violating correctional plans, which jeopardizes a prisoner’s ability to ‘cascade’ to a lower security level or obtain early release.

Like everyone else, prisoners face real economic pressures. Canadian prisoners increasingly have to pay for necessary items, which were once provided free like shampoo, toothpaste, and Advil. They also have to pay increasingly high fees for phone calls despite common sense correctional policy that says maintaining relationships outside of prison is key to reintegration.

Prisoners’ wages are, unsurprisingly, very low. As a Financial Post story published on Aug. 30, 2017 noted, after more than a 30-year wage freeze, wages for prisoners were cut by 30% in 2013. Now, prisoners earn a maximum of \$4.83 a day. The Office of the Correctional Investigator notes that, for Canada’s prisoners, a “bottle of Buckley’s cough syrup costs more than a day’s pay.” Prisoners also pay a portion of their wages to room and board, as well as to phone system fees and fees to their inmate welfare committees.

Canada’s prisoners subsidize their own imprisonment, as well as other government agencies, through their low-wage labour. It’s not clear how this helps with rehabilitation or reintegration. Prisoners, for their part, are aware of this fact. In October of 2013, prisoners in New Brunswick, along with those in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Quebec, participated in a peaceful work stoppage to protest cuts to their wages. At the time the head of the Lifer’s Group at the Atlantic Institution in Renous, NB, was quoted as saying, “When prisoners start getting released into the community with no money and have to resort to crime, how is that in the interest of public safety?” The Correctional Investigator agreed with this sentiment in his 2015-2016 annual report, saying that a lack “of resources upon release remains a significant barrier to remaining crime-free after a period of incarceration.” It should be noted that the vast majority of prisoners in Canada will, in fact, be released.

In New Brunswick, CORCAN runs programs in both the Atlantic Institution, in Renous, and Dorchester Penitentiary. It also runs a “Community Industry” facility in Moncton, as well as regional sales offices—a mere 750m away from the Smartpod offices.

How Smart is Banking on Smartpods?

While a majority of CORCAN’s contracts are with the public sector and non-profit organizations like Habitat for Humanity, Smartpods is one of CORCAN’s private sector contracts. Founded in 2014 by Leon DesRoches, the financial backing for Smartpods seems to have significantly come from the government.

Smartpods received a \$120,900 investment from the Atlantic Canada Opportunities Agency in 2014, and another \$274,313 in March, 2015. In 2015, Smartpods also won a “Build in Canada Innovation Program” award to help the company prepare its products for market through the federal government’s Office of Small and Medium Enterprises. The majority of the clients listed on the company’s website are public entities such as the federal government, the RCMP, and Ambulance New Brunswick.

Given that only 7.9% of employed New Brunswickers work in manufacturing, it might seem surprising that the company doesn’t boast that its products are “made in NB.” This raises the question of what jobs, exactly, are the prisoner-workers at Smartpods being trained for? As the government itself notes, “With both annual attrition (deaths and retirements) and job growth expected to trend somewhat down from 2015 to 2024, total job openings in the [manufacturing] Sector are forecasted to decrease.” How do prisoners who will be released in NB benefit from working for Smartpods?

We need a provincial development strategy that invests in sustainable economic infrastructure, rather than subsidizing the few big firms that own the province and a few “innovative entrepreneurs,” which can do little to improve people’s lives. Prison labour should have real rehabilitative value, and prisoner-workers should have all the rights of “free labour.” This means, for example, being paid minimum wage and having the right to join and form unions.

If anyone is going to benefit from prison labour in New Brunswick it should be, first and foremost, prisoners themselves and, secondly, the public. Private entrepreneurs, especially those gambling with public money, shouldn’t be on that list.

Jordan House is a PhD student at York University, where he is completing a dissertation on prison labour in Canada.

Petitcodiac residents challenge J.D. Irving’s take on forest spraying

By MARILYN MERRITT-GRAY

An abruptly-called protest of local residents shut down a J.D. Irving presentation on forest spraying to Petitcodiac Village Council on August 15, forcing the largest forestry company in New Brunswick to present at a later date in a larger venue that could accommodate the public.

Petitcodiac Mayor Jerry Gogan told the opponents and the media that he had cancelled the J.D. Irving presentation and was working with company representative, Robert Fawcett, to reschedule the presentation.

The residents, holding colourful signs calling for forest herbicide spraying to stop, expressed frustration that their tax dollars are being used to pay for the current spray program.

Earlier in August, Stop Spraying NB, an organization that has formed to oppose forest spraying, made a presentation to Petitcodiac Village Council. The group asked the village to pass a motion against the spraying of the forest because of the risks to fish and game, the impact on forest diversity and local waterways, as well as the probable link to cancer for exposed citizens.

Gogan said that, before Council makes a decision on such a resolution, he wanted to give J.D. Irving representatives a chance to present their perspective to councillors.

Moncton Mayor Dawn Arnold wrote the province’s Environment Minister Serge Rousselle on August 2, asking the province to not allow spraying in the Turtle Creek Watershed, the source of drinking water for the residents of Moncton, Dieppe and Riverview. The Minister responded, saying that glyphosate is approved by Health Canada. Parts of the watershed were later sprayed.

Glyphosate, the active ingredient in the forestry herbicide, currently under review by Health Canada, is scheduled to be sprayed on recent clearcuts in the Petitcodiac region, as well as other parts of the province. The herbicide is used to kill vegetation in order to promote the growth of softwoods in industrial forest plantations.

Liz Mallet, a local supporter of Stop Spraying NB, said, “A couple of weeks ago a J.D. Irving representative came to tell us they would be spraying around us, over the next three weeks... It’s galvanized us in the Parkindale area. The clearcut made a mess of the area, now this spraying, this is the final straw.” Parkindale sits just southeast of Petitcodiac, an area used for recreation, with streams, brooks and hiking trails, near the Caledonia Gorge protected area.

Aric Woodworth, a woods worker, says he is frustrated and does not trust J.D. Irving. He joined the Stop Spraying NB Facebook group and came out to protest. He says he and his 88 year old father, Lester, make their living cutting firewood on their local property, next to an area that J.D. Irving has clearcut and is about to spray. “Last time we weren’t even notified. We worry about the drift of the spray. It could wipe out a lot of our hardwood. I’d like to tell Irving that we just want to make a living here too,” said Woodworth.

Marilyn Merritt-Gray is a nurse and lifelong advocate for rural health services. She is the Green Party Candidate for Gagetown-Petitcodiac.



Petitcodiac Mayor Jerry Gogan speaking to spraying opponents on August 15, 2017. Photo by Marilyn Merritt-Gray.

Community Calendar

To list your community event, email info@nbmediacoop.org. For an updated listing of events, check nbmediacoop.org.

AfroFest. Oct. 28-29 at the Fredericton Inn Hotel. The New Brunswick African Association invites all to celebrate the rich traditions of Mama Africa, through dance, history, food, workshops, arts and cultures.

Rebeca Lane. Wednesday, Nov. 1 at 7:00pm at the Great Hall, St. Thomas University. Hear Guatemalan political rapper perform on struggles to end violence against women and poverty. Organized by the Maritimes-Guatemala Breaking the Silence.

Pamela Palmater on missing and murdered Indigenous women and girls. Hosted by the Atlantic Human Rights Centre, on Thursday, Nov. 2 at 7:00 p.m. in the Kinsella Auditorium. Palmater is a Mi’kmaq lawyer, author, and social justice activist from Eel River Bar First Nation. She is the former spokesperson, organizer and educator for the Idle No More movement and currently holds the Chair in Indigenous Governance at Ryerson University.

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