

The Websters -Canada's Hidden Rockefeller

Ever heard of the Webster family? Even many Canadians haven't, though Websters are practically everywhere north of the border.

A good many Canadians seem to think that U.S. corporations own Canada. Maybe that is because they have never heard of the Webster family. The Websters may not own Canada, but they do own or control a mighty chunk of it. Proportionately speaking, they are bigger in Canada than the Rockefellers are in the U.S. Their interests north of the border include Canada's biggest textile company, one of its largest and fourth-largest banks, several insurance companies and vast holdings of estate. They control Canada's biggest newspaper chain and its third-largest TV network. They are big in coal and oil and sugar distribution, operate tankers and barges. They own a good deal of U.S. real estate, including Detroit's landmark Penobscot Building, and are major Massey-Ferguson stockholders. Combined, family members control assets of at least \$1 billion.

Last year Howard Webster's F.P. Publications added to its string of newspapers The Montreal Star, Canada's fourth largest. Chairman Howard Webster's name was not mentioned in the takeover announcement, even though, through his 25% interest in F.P. Publications he has effective control of the chain.

The clan is headed by five brothers: Colin Howard, Stuart, Richard and Eric. None will talk with the press, but one of Colin's sons, Lorne, 45, dissents "I know many members of the family don't agree with me," the Montreal-based Lorne says, "but I feel operating public companies involves an obligation to tell who you are and what you are about."

As far as the total empire is concerned, Lorne told Forbes: "The brothers (his father and uncles) are equal partners. Each runs his own businesses, but at the same time serve on the boards of others' so that the whole family benefits."

Lorne's father, Colin, patriarch of the clan, still takes part in managing the family's original coal and fuel-oil business, which is now a separate Canadian unit of Royal Dutch/Shell. He also sits on 20 major boards, including Sun Life Insurance, Canada's biggest, where Colin's father, Sen.

Lorne C. Webster, was also a director.

Colin Webster is a powerful fixture on many boards, such as Massey-Ferguson's. His father helped refinance Massey in the 1930s, with investment banker Wood Gundy. The family is also a major stockholder at Hawker Siddeley Canada (assets: \$226 million), having swapped its holdings in Canadian Car & Foundry and the Dominion Steel & Coal Co. for Hawker Siddeley stock in merger deals.

Other Webster interests include Dominion Textile, Canada's biggest textile company; St. Lawrence Cement, one of the two largest cement companies; International Paints, Canada's third largest paint company; and several Toronto-based insurance companies. Colin's wife, the former Jean Frosst founder of a large Canadian pharmaceutical company that recently was merged into Merck & Co.

R. Howard Webster, 64, presides over Imperial Trust Co., which in practice has served as the family holding company. Howard, gruff and jowly, has been the family's swashbuckler. He has bought and sold dozens of companies in the U.S., still has vast real estate holdings in California. He controls Quebecair. Lorne describes Howard as a buyer, a builder and a hanger-on-er."

Howard's press interest has been growing in recent years. F.P. Publications, controlled through Imperial Trust, is a powerful newspaper chain with dailies in nine major cities and the largest circulation in Canada. The papers include The Vancouver Sun and the prestigious Toronto Globe & Mail, Canada's second and third largest daily newspapers. Most recently Howard moved in on Burns Foods (annual sales: \$543 million) Canada's second-largest meatpacker and a large daily operator.

Stuart, 68, heads St. Lawrence Stevedoring, a part of the old coal and oil business retained by the family. It unloads 3 million to 4 million tons of bulk cargo annually, handling most of the sugar coming into the country and salt for the snowy streets of Canada's major cities. Richard, 62, runs the family's tanker and barge fleet. Eric, 58, runs the family's hardware business and warehouse chain. The fuel-oil operation serves

the northern U.S. as well as Canada.

Unlike the Rockefeller wealth, which was founded on a single spectacular enterprise Standard Oil--the Webster empire has been built step by step over more than a century. The first Canadian Webster arrived from Scotland in the early 1800s and started a small ship chandlery. His son, who expanded into coal hauling and sales, dominated the rich Canadian fur auction trade and went into steel, sugar, insurance, railways and steamships, was Senator Lorne.

Senator Lorne died in 1941. It is said that until his will was read, his heirs, the five brothers who now run the businesses, and a daughter, did not realize how rich, powerful--and closemouthed--their father was.

Senator Lorne's will was a remarkable document. In order to keep his shares, each of the sons had to stay in the family businesses until he was 40; not until then would he come into his full inheritance. Only full-blooded Websters shared in the businesses. The will warned the sons to stick together, to hold regular family councils dedicated to building and preserving the patrimony.

The old senator apparently also left his sons his dour Methodist lifestyle. People who know the family say the brothers are slow to reach for a lunch check and tip lightly. They drive their own cars, dress conservatively and live in comfortable but unassuming homes in comfortable but unassuming homes in Montreal, Toronto, Quebec City and Sherbrook. Their art collections, though valuable, are not publicized. When they vacation, the brothers tend to do so at family-owned farms. In the family theology, ostentation is almost as serious a sin as the dissipation of capital.

Because he is not afraid of the public gaze, the present Lorne Webster is partly a break in family tradition. But only partly. Like his father, uncles and cousins, he believes devoutly that money should make money. He cut his teeth in the family fuel-oil business, Canadian Import; but in 1965 when he was 38, he decided to branch out on his own. (this was after the fuel-oil business was sold to Royal Dutch/Shell. The family used the cash for new invest-

ments and also became stockholders in the world's second-biggest oil company.) Partly bankrolled by the family, Lorne then founded Prenor Group, a financial services outfit. Among other things, it manages \$800 million in outside money writes auto, fire and property insurance in Australia. Lorne, backed by other Websters, is also in real estate, owning 35 estates around the world plus Montreal's 41 story Bank of Commerce Building and old Windsor Hotel.

Sports Power

On the side, Lorne is the second biggest shareholder in the Montreal Expos baseball team (Charles Broufman of the whiskey family is the biggest stockholder). Perhaps it was this investment, more than any other, that exposed Lorne to un-Websterlike publicity. "Baseball is a funny business," he says. "Here we had Canadian Import for 100 years, doing well over \$200 million a year, and nobody ever heard of it. Then you are into baseball, doing maybe \$5 million, and everybody suddenly says, 'Gee! Wow!'"

Like Uncle Howard, Lorne was attracted to publishing, he is a major backer of Quebecor, publisher of Le Journal de Montreal, Quebec's largest morning French newspaper, and 18 other French and English language publications. Quebecor, which recently acquired a chain of U.S. sports magazines, including Boxing Illustrated, is listed on both the Montreal and American stock exchanges.

Of the Webster cousins, Lorne is the odds-on favorite to succeed his father as family chieftain. However, centrifugal forces are at work in a family that now numbers 38 blood cousins in Lorne's generation and many many more children in the next generation. Family ties will probably weaken as the ruling brothers die out. But Lorne feels much of the empire can still be held together. "Perhaps what my cousins can do," he says, "is go out and do their own thing, but leave some shares in some of the bigger holdings for someone else to run."

As for himself, Lorne Webster is determined to devote his life to continuing the family influence. "I'm in this for the long pull," he says. "Blood is thicker than water."