

Construction Tycoon Goes Into Newspaper Publishing

(Editor's note: The nation's newest major newspaper publisher is Peter Kiewit, a Nebraskan who had already erected a construction empire before he bought the Omaha World-Herald. A United Press International reporter interviewed Kiewit in his Omaha office and reports in the following dispatch on his career and plans.)

By ROBERT G. HOIG
United Press International
Omaha, Neb. (UPI)—When Peter Kiewit's doctor told him 32 years ago he would have to stop leading an active life, Kiewit set to work and:—Built the Chicago subway.
—Tackled a World War II project that called for building one new structure every 20 minutes until 2,500 buildings were up at Camp Carson, Colo.
—Took on construction of the giant U. S. Air Force base at Thule, Greenland, building it on top of an icecap.
—Finished six months ahead of schedule and saved the government \$400 million on the \$1.2 billion atomic gaseous diffusion plant at Portsmouth, Ohio.
—Built dams, skyscrapers, tunnels, waterways, factories, military installations and missile sites.
Hardly taking a deep breath, construction tycoon

Kiewit last Oct. 31 also became one of the Midwest's major newspaper publishers. He purchased the 77-year-old Omaha World-Herald, largest newspaper in Nebraska, for \$40,448,000.

Kiewit's motive was characteristically simple. He learned the newspaper, which has always been owned by Omahans, was about to be purchased by New York publishing magnate S. I. Newhouse. Kiewit moved quickly and topped the Newhouse bid of \$183.25 a share with one of \$185 a share. He said he had nothing against Newhouse except that "he lives in New York instead of Omaha."

Kiewit's roots are firmly planted in Omaha, even though he figures he averages only seven or eight nights a month at home. The rest of the time he spends flying about the nation and the world, keeping an eye on the projects under way by his firm, Peter Kiewit & Sons.

Kiewit is now 62 years old, a six-footer of medium weight and a grandfather eight times over. In a recent interview, he sat in his Omaha headquarters with the sleeves of his white shirt rolled halfway up and reminisced.

"I've had the desire to build almost from infancy," he said. "I could read blueprints as soon as I could read books."

He learned about the construction business at the family dining table, where he watched his father work out plans and study blueprints. The father and son made trips together in a horse and buggy.

During the last 14 years of his life, the elder Kiewit was afflicted with combined phlebitis—the ailment that was later to strike his son—dropsy and asthma. When he died, he left a \$14,000 legacy to be shared by his sons and others.

Kiewit still smiles at Omaha gossip that he started in business life as rich young man. Young Kiewit became a timekeeper, waterboy and bricklayer, found time to go to Dartmouth college, and was president of the family firm by 1931.

Would Slow Down
One year earlier, Kiewit's doctor had told him he had phlebitis and that he would have to take it easy or face the consequences.

"My illness was the turning point . . . I had to begin to depend on people," Kiewit said.

The child prodigy of the construction business had to learn to relax. Hardly a year went by between 1930 and 1950 that he avoided brief or prolonged hospitalization.

Thirty-two years after he was stricken, Kiewit says with a touch of satisfaction "I guess you can say I'm still pretty busy."

Was Flying East
Kiewit was busy flying east from California Oct. 12 when he bought a newspaper and began thinking of buying another one—the World-Herald.

During a stopover at Denver, Kiewit bought a copy of the Wall Street Journal and read a story that the World-Herald was up for sale. On the flight home, he mulled over the idea of buying the newspaper himself.

Four days later "I asked for the privilege of looking over the earnings figures of the World Herald News Corporation and they refused to give them," Kiewit said.

Kiewit quoted World publishing co-chairman W. Dale Clark as saying the directors "had a buyer and were satisfied with his offer and were not interested in any other offer."

Kiewit was in and out of Omaha for the following 11 days, but on Oct. 26 he received an important call. "Someone" had gotten the necessary earnings report and other figures.

Kiewit called Clark long distance from a ranch near Sheridan, Wyo. "I told him we had enough information for an offer but didn't want to make one if they would not consider it," Kiewit said.

"Time is getting short," Kiewit quoted Clark as saying. Kiewit flew to Omaha and met with Clark through most of a Sunday. The two conferred in a 10th-floor conference room of the Kiewit firm's world headquarters building, the new, \$4-million Kiewit Plaza.

Kiewit was impressed by the figures shown him. The World-Herald had earned \$1,700,000 after taxes in 1961; subsidiary television station KETV was profitable, earning \$300,000 last year; other money-making properties were included—the Doctors building in downtown Omaha; 157 acres of choice farm land west of Omaha at 114 and Dodge sts.; other real estate; and, although it would be deducted from the purchase price, \$8 million in cash and negotiable securities.

Hardly less significant in Kiewit's mind was Omaha's role in the prospering midwest, where the once-struggling Kiewit had grown into a giant.



PETER KIEWIT Buys Omaha Newspaper

ence at the World-Herald building Oct. 31. The details were outlined. No vote was registered against Kiewit and he had himself a newspaper.

Lawyers Now Working
Kiewit lawyers are now rounding out the mechanics of the change. A new corporation will be formed by the first of the year, probably in Delaware where corporation laws are "more flexible," Kiewit said.

All 218,640 shareholders in the old World Publishing Co. will be paid and the rights of the old company, including

the name, will be transferred to the new.

Clark will serve on the board as chairman and Kiewit will serve as an unpaid director. Kiewit said other directors are still unselected. He listed as "probable" the following of a present strong Kiewit policy which calls for only company employees of the various 26 Kiewit holdings to serve as directors.

On Jan. 7, 1963, Kiewit or some key officer will write a check for \$28 million to the old company. Kiewit personally presented a \$2 million check to show his good faith while the transaction was being worked out.

Dinner Is Held
A Nov. 27 testimonial dinner was held after all the purchase arrangements had been made. Civic leader A. F. Jacobson said at the gathering "We can count as one of our great blessings that we have Peter Kiewit as a man and as a citizen with deeply dedicated sense of community responsibility."

Kiewit himself went to some pains to make it clear he would keep hands off the World-Herald's editorial policy. Kiewit, a self-declared Republican in politics, said he had nothing to do with an editorial which appeared shortly after he gained control, giving the newspaper's blessing to both the Democratic and Republican candi-

dates for governor.

"I do not expect to raise any question ever about the editorial stand of the newspaper, he said.

Expansion is a trademark of the Kiewit enterprises, however, and it was expected the World-Herald would not be an exception.

"Obviously it is our intention to progress," Kiewit said. "And we are willing to spend some money to have that happen."

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On Jan. 7, when the air mail rate goes up one cent to 8 cents an ounce, the service will be in its 45th year, he noted.

On May 15, 1918, when air mail was officially introduced in America, 6,600 letters were flown from Washington to New York City about 200 miles at a cost of 24 cents an ounce, which included a 10 cent special delivery fee.

Today, Eidswick noted, more than 1.5 billion letters and post cards are sent by air mail annually within the United States.

At Christmas time, air mail can be particularly important, Eidswick noted. For example, he said, late cards sent by air mail can reach Chicago from Medford in less than 12 hours and Key West, Fla. in 18 hours.

Another emergency stop gap is air parcel post, which moves with the speed of air letter mail.

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