

And if you don't think corporate connections relate to you, read this:

The Food you eat ...

ITEM: Beaver Food

Beaver Food took over the contract that had been held since 1965 by Versafood on July 1, 1969. It has cafeterias in Sherriff Hall, Howe Hall, and the SUB. Like Versafood, Beaver Food has a virtual monopoly on the food services at Dal — either you bring your lunch in a paper bag, or you buy from them.

If you live in residence, the monopoly is absolute. Whether you eat there or not, the university charges you for 21 meals a week. Approximately 2/3 of the money a student pays to live in residence goes to pay for the food services, according to H. K. Mosher, the assistant to the comptroller of the university. Mr. Mosher refused to disclose the total cost of food services at Dal for this year, last year, or any preceding year.

It is possible to arrive at an estimate, nonetheless. The average residence fee for men and women students at Dal is \$930.50 per year. 2/3 of this is \$600. There are about 850 students living in residence. By simple multiplication, Beaver Food grosses over half a million dollars a year from the residence alone. This doesn't take into account the money from the SUB cafeteria or the canteens, which probably gross around anywhere from \$250,000 to \$500,000 a year. Thus, Beaver Food grosses at least \$750,000 to one million dollars a year at Dalhousie.

Three bids were accepted for food services last spring. One was, logically enough, from Versafood. Another was from Saga Foods, an American firm. The third, successful bid was from Beaver Foods.

Frank Covert is a member of the Board's executive committee. On March 20, 1969, he moved that the executive committee accept the tender from Beaver Foods. The committee passed the motion.

On July 8, 1969, Beaver Foods appointed Frank Covert as its alternate local agent for Nova Scotia.

Ben's Bread supplies Beaver Foods with bakery products, such as bread, rolls and doughnuts. Frank Covert is the president of Ben's Ltd. and Ben's Holding Ltd.

The milk and milk products come from Brookfield Dairy. C. L. Gosse, a member of the executive committee of the Board along with Covert, is also a director of Brookfield Dairy.

Item: Versafood Services Ltd.

Versafood Services Ltd. had the contract from Dalhousie University from the fall of 1965 to June 30, 1969 to be the catering service at Dalhousie. This contract provided for cafeterias in both Shirreff Hall and Howe Hall and the SUB and a canteen in the Tupper Building and in Howe Hall, when the SUB was built, the contract for cafeteria service there was negotiated separately with the Student Union.

Victor de B. Oland is the Lieutenant-Governor of Nova Scotia. He is also president and general manager of both Oland & Son and A. Keith & Sons, president of Oland's Breweries Ltd., and a director of Texaco Canada Ltd., EMI Electronics Ltd., the Bank of Montreal, and a past president of the Canadian Chamber of Commerce.

He has been a member of the Board of Governors since 1965. He has been a director of Versafood Services Ltd. since May 31, 1968.

Item: Major Vending

Major Vending has the exclusive contract for vending privileges at Dalhousie.

Carlisle Norwood and James P. Sawler are two of the five directors of Major Vending. They also are both directors of Canada Dry Botting Industries of Halifax Ltd. The other two directors of this company are J. C. MacKeen and Victor deB. Oland. Both MacKeen and Oland are members of the Board of Governors. MacKeen is a member of the executive committee.

Carlisle Norwood also sits on the board of Atlantic Trust along with Board members A. I. Barrow, G. R. K. Lynch, and C. L. Gosse.

Carlisle Norwood is J. C. MacKeen's son-in-law.

The Local Agents' caper

It has proved remarkably difficult to find out exactly what a local agent for an out-of-province firm does. This is a crucial point: if a local agent procures contracts for his company, two members of the Board Executive Committee have taken what are more than slight liberties with their positions.

When he was asked for a definition of the role a local agent for a company plays in regard to procuring contracts, and in submitting tenders for construction projects and the like, Professor Roy Brookbank of the Commerce Department indicated that the role varied from company to company and that it was something very difficult to pin down with a general definition. Often when a local agent is a lawyer, which both of the parties mentioned above happen to be, he is merely serving as a legal representative as is required by the Criminal Code — he is the individual who must appear in court for the company — in the event that a lawsuit or some such action is taken against his company.

It is equally likely that a local agent

is the person responsible for submitting bids and tenders on behalf of the company. If this is true for the cases involved here, Frank Covert and Donald McInnes have submitted tenders to themselves as agents for these companies, and then, as members of the Board, have accepted these tenders. It would be considerate of Mr. McInnes and Mr. Covert to reveal exactly in what capacity they were acting in these cases. But maybe that's expecting too much from them.

In any event, they were receiving money for their services lawyers don't do anything for nothing, whether to procure contracts or merely act as legal fall guy for a company. It is safe to project the assumption that both McInnes and Covert were receiving a commission or a salary from the firms with which they are connected. A dubious position to find oneself in, as both are members not only of the Board's executive committee, but are both members of the Finance and Investment committee and the Budget committee. In addition, McInnes is a member of the Buildings & Grounds

Committee. Holding these positions, both men have rather a handy access to a good deal of confidential information, including presumably the amounts of past or present tenders for various and sundry contracts the university has, or is in the process of granting. We are hardly in a position where we can prove this; it may not even be the case.

If the university reveals explicitly how contracts are awarded (e.g. are tenders opened upon receipt or all at the same time when they have all been received?), especially in the circumstances surrounding the instances of Beaver Foods, Major Vending, Versafood, and the other cases cited throughout this supplement, all may be hunky-dory. If not, something is very fishy, very fishy indeed.

Item: The following members are local agents for the companies which appear beside their name. All of these companies either have had or are in the process of completing contracts for construction work at Dalhousie.

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