

Chain - the campus food catering business

Crockett, who came to the company via a long stint with the U.S. State Department.

He lives in Menlo Park, Calif., and apparently is charged with the responsibility of keeping Saga's 16,000 workers content.

Perhaps the best known catering company is Versafoods Services Ltd. Versafoods is the company linked to the food poisoning incident at Memorial; it has a monopoly food service contract there. Other campuses with Versafoods contracts include St. Thomas University, York University and Laurentian University.

Versafoods is controlled by ARA Services Ltd., an American corporate giant which changed its name from Automatic Retailers of America Inc. in 1969. Its executive offices are located in Los Angeles, and its corporate headquarters is in Philadelphia.

ARA owns 85 percent of Versafood shares. Since its formation in 1959, ARA has bought up scores of catering and vending machine firms, and is involved with institutional food services, automatic food distribution, jukeboxes, cigarette dispensing machines, merchandising techniques for retailers, periodicals distribution and other business activities. Next time you put your quarter into a vending machine or amusement game, chances are its going into ARA coffers.

American firm recorded sales of \$716,128,000 in 1971 and reported profits of \$21,979,000. The profit figure was produced after the company claimed more than \$19 million in depreciation. ARA employed 38,000 people throughout its operations in 1971.

The firm's prime corporate activity appears to be buying up increasing numbers of smaller firms engaged in similar or related activities. In 1966 it purchased eight food catering and vending machine outlets in every corner of the United States. In 1967, the year it bought control of Versafoods, ARA purchased 7 food service firms, including one in Puerto Rico, one real estate company and one management consultant firm. In 1968 ARA bought more than 30 food service and vending machine outlets, along with several jukebox firms.

In 1969 it purchased Allegheny Cigarette Service and began buying up periodicals distribution firms in several states. In a furious round of activity in 1970, ARA bought a social research firm, more than ten more periodicals distributors throughout the U.S., about 20 more vending machine and catering firms, and firms operating children's amusement rides.

The firm's capacity for growth seems limitless and it appears eager to control the coin-operated enterprise scene.

Moody's Industrial Manual, an encyclopedic guide to public American corporations, says ARA's "support services include, among others, patient dietary services in hospitals, promotional merchandising programs used by retailers and institutions to increase traffic, ground services for airlines, publications distribution services, and construction management and consulting services for business and industry. Convenience services for individuals include preparations and distribution of food for people at work, study, play, and sale of periodicals, sundries and gifts to travellers in airport terminals."

ARA and its subsidiaries operate throughout the U.S., "and in co-operation with or through foreign-based companies in the United Kingdom, Canada, Mexico, the Caribbean and Western Europe."

In May 1968 ARA joined forces with Nacional Hotelera, a Mexico City hotel and restaurant chain to supervise the kitchens at the Olympic Games in October. (Mexican police and army shot and killed thousands of students protesting against the Olympics that year.)

Besides its massive stock of vending machines and related equipment, ARA owns a fleet of trucks, and through its subsidiaries owns and leases distribution centres throughout the US and Puerto Rico.

Students enjoying Versafoods' culinary delights in Canada should realize that company is a miniscule part of the ARA operation.

Versafoods Services Ltd. was incorporated in Canada on June 15, 1961 under the name

Vendomatic Services Ltd. Chief mover behind the firm was Allan D. Baker, who was already in the vending machine and good service business as president of Baker Vending Services, Nation-Wide Food Services and Vendomatic Ltd.

Baker merged these companies with Industrial Food Services, a division of Canadian Food Products Ltd., (a distributor of processed food to institutional kitchens) to form Vendomatic. The "Versafoods" label was adopted in 1964. Last July 12, the name was officially changed to V.S. Services Ltd.

In February 1969, Versafoods acquired a 50 percent interest in Versair In-Flight Services Ltd. of Kingston, Jamaica. Perhaps more significantly, it bought a 70 percent interest in a West German firm which processes frozen prepared meals. Thus Versafoods, to that point principally a distributor, branched into the processing level of the food service business, following the tried-and-true principle of vertical integration.

Versafoods also wholly owns Jiffy Foods Ltd., and holds a 50 percent interest in Versa-Service Ltd. of London, England.

In 1971 Versafoods reported a profit of \$1,156,000 on sales of more than \$72 million. The profit figure represented a 500 percent increase over the previous year.

Some powerful men sit on the board of directors of Versafoods Services Ltd. They provide a revealing cross-section of Canada's corporate elite, tied as it is to American business interests. Some examples: E.C. McDonald of New York is vice-president of the Royal Bank of Canada, and chairman of the board of the Royal Bank of Canada Trust Company. He is also chairman of the board and director of Thompson Newspapers, Canada's largest newspaper chain (in number of publications owned).

McDonald sits on numerous other boards of directors, most notable of which are May Department Stores, Metropolitan Life Insurance Co., Union Bank of Los Angeles, Crush International, General Bakeries Ltd., Pacific Petroleum Ltd., Salada Foods Ltd., and Diners' Club Inc. He is

director of the University of Western Ontario Foundation of the U.S.A. and a former president of the Canadian Life Insurance Officers Association. Most significantly, McDonald also sits on the board of directors of ARA Services Inc.

Victor de B. Oland, the Lieutenant Governor of Nova Scotia, is a director of the Bank of Montreal, Texaco (Canada) Ltd., and Dalhousie University.

To maintain clear corporate connection with the Versafoods operation, ARA has appointed three of its own directors besides McDonald to the Versafoods board.

Versafoods employed about 6,500 people at the end of 1971.

Beaver — A Canadian Company

Beaver Food Service Associates Ltd. of London Ont. is the food catering business' answer to the Committee for an Independent Canada. It's the only Canadian-owned company of any significance operating food services on the nation's campuses. But it's a private company which does not release full official information to the public.

In a telephone interview, a Beaver official said the company holds food service contracts at Dalhousie University, Mt. St. Bernard College at St. Francis Xavier University, UNBSJ, Loyola College, Queen's University, Trent University, Glendon College, University of Windsor, University of Winnipeg, Brandon University and the University of Saskatchewan (Saskatoon and Regina campuses).

It offers food services to institutions in educational, health care and industrial markets. But Beaver explicitly stayed out of the vending machine business which has drawn so much energy from Versafoods, Beaver's traditional rival.

Beaver was actually formed by several dissatisfied executives working for one of the firms which later merged to form Versafoods. Current Beaver directors A. R. McIntosh and J. O. O'Rourke were both working for Industrial Food Services, a division of Canadian Food Products Sales

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