

greasy spoons in an imperial chain -

By ART MOSES

Low-quality food has long been one of students' major complaints with their campus environment.

At Memorial University in St. John's Newfoundland, more than 200 students were stricken with salmonella poisoning last December after eating cream puffs in their residence dining hall. At McGill University a dismissed cafeteria worker recently wrote to the student newspaper describing how the chef dropped a meatloaf onto a dirty floor two minutes before serving it to students. He also told how differently labelled meals were actually the same food served in a varied fashion.

Although some post-secondary institutions hire their own food service workers, most contract out their food services to a private catering firm. The company is usually part of a multi-national corporate empire specializing in preparing and serving food in institutional environments. More often than not, the company hired by the university or college is American-owned or controlled. Only one Canadian owned firm of any significance operates in Canadian post-secondary institutions.

A campus-by-campus survey of food facilities would be difficult to assemble. But let's examine the "big-three" catering firms administrators are hiring. It should shed some light on the corporate entities responsible for the food situation on many Canadian campuses.

American control of Canadian campus eating facilities is very pronounced in Saga Food Service of Canada Ltd., a firm which is carving itself an ever-increasing share of the Canadian college and university market. (The University of New Brunswick signed a new contract with Saga several months ago after being forced to agree to a reduction in the number of meals per week to avoid a price hike.) Saga is well established on such campuses as Carleton University, Bishop's University and Brock University.

Reliable sources indicate that Saga is deliberately under-pricing its bids for food service contracts

to establish its foothold in the Canadian university market. The company's fastest campus growth has been in the Atlantic provinces where it has been under-cutting its competitors in open tendering. The competitors expect Saga's prices to rise once it has established some degree of market control.

Saga is 100 percent owned by Saga Administrative Corporation of Menlo Park, California. Separate balance sheets are not provided for its Canadian operation. Its business here appears to be a minuscule affair after one examines Saga's list of subsidiaries.

Moody's Industrial Manual lists them this way: Saga Dining Halls Inc., Saga Food Services of Ala., Ariz., Calif., Canada, Colo., Conn., Fla., Ga., Hawaii... plus 37 more states and Puerto Rico. Apparently the authors of Moody's are willing to list Canada as a mere appendage to the American system of states and territories.

The Saga Administrative Corp. was incorporated in New York in 1957 as a successor to a partnership formed in 1948. In July 1969 it acquired Straw Hat Restaurant Inc. of San Leandro Calif., and Pizza Specialty Corp. of Terrance Calif. The same year it established a joint venture with General Food Corp. to supply ready-to-eat foods and related non-food items to colleges and other institutions in the Cleveland area.

Moody's says "the company is engaged in the business of providing food management services for educational institutions, hospitals and retirement communities."

Saga operates in more than 345 such institutions in 45 states, the District of Columbia, Canada, and Puerto Rico. It also runs 48 owned and franchised pizza restaurants.

Other subsidiaries include Saga Hospital Services in seven states, Saga Capital Corporation, and a 50.5 percent holding in College Housing Inc.

Besides the 21 acres at Saga's Menlo Park Calif. headquarters, the corporation owns buildings on three university campuses - at Gonzago University in Spokane, Wash.; at Alma College in Alma



Mich; and at the University of California in Davis, Calif.

In 1969, the last year figures were available, Saga Administrative Corporation reported sales of more than \$107,422,000 and claimed profits of \$2,258,000. The profit figure represented an increase of about 10 percent over the previous year.

In 1971 when Gary Knox, UNB's Saga Manager, was asked for Saga's profits at UNB* Knox declined, saying Saga was a private company and did not release figures for individual campuses. He promised to have someone higher up in the company answer the question, but nothing ever came of it. Since Saga came to UNB in 1971, they have hiked their prices twice.

Chairman of Saga's board of directors is William Price Laughlin. He was president and chairman of the board of Saga and its predecessor company from 1949 to 1968, but relinquished the presidency in 1968, remaining as chairman. He was chairman of the board of the Michigan Equity Corporation of Kalamazoo Mich. from 1960 to 1967 and chairman of Scope Corporation of Menlo Park Calif. from 1964 to 1967. He is currently chairman of the board of regents and trustees at Gonzaga University (where Saga owns property) and a trustee of St. Mary's College and Kalamazoo College. "Who's Who in America" lists his political affiliation as Republican.

Saga's vice-president for human relations is William James

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