

## HONORARY GRADUATE

### Donald Gordon

Donald Gordon exemplifies that select band of men whom we know and respect as 'business visionaries'. His vision of the insurance industry has involved the highest degree of creativity and innovation and has been sustained by boundless energy and enthusiasm over three and a half decades. It has produced accomplishments which extend far beyond the establishment of a major financial institution. Donald Gordon has influenced the entire insurance industry, here in South Africa and abroad, with significant economic effects on both national and international markets in which securities are traded. By this means his influence has extended to the wider financial sectors of national economies.

Donald Gordon was born in Johannesburg in 1930 and was educated at King Edward VII School, where he matriculated in 1947. In 1948 he entered into articles as a candidate chartered accountant with the firm of Kessel Feinstein, and studied at this university towards the attainment of his professional qualification. During this period of his life he was responsible for the audit of the Standard General Insurance Company of South Africa. This was the start of a lifelong involvement with, and dedication to, the insurance industry. In 1956, three years after completion of his articles and his qualification as a chartered accountant, Donald Gordon set about raising the finance to establish a new insurance company. In 1958 the Liberty Life Association of South Africa was registered to undertake life assurance business. It had taken nine months to raise £50 000 to establish a company which in 1990 paid its shareholders R291 million, provided R1,13 billion to policy holders by way of bonus distributions and had assets of some R21 billion, not including a further R14 billion representing managed pension funds and international assets.

To what does one attribute this striking achievement? Imaginative innovation and daring are key factors. New types of life policies with disability benefits attached, linked to unit trusts, to property investment and to mutual funds characterize the approach. The 1962 launch of a company in the United Kingdom, the Abbey Life Assurance Company, represented the first new life office to be established in London for over one hundred years. Initially under the wing of Liberty Life, Abbey Life was immediately very successful. The investment was sold, however, when Guardian Royal Exchange gained control of Liberty Life.

A few of the subsequent milestones will indicate the nature and extent of Donald Gordon's achievements.

In 1968 Liberty Life Holdings was formed to consolidate the South African interests of the Guardian Royal Exchange Group and was listed on the Johannesburg Stock Exchange following a record public subscription.

In 1971 Donald Gordon became the first foreigner invited to join the main board of a major British composite insurer - the Guardian Royal Exchange. Liberty Life secured the South African life insurance operations of Manufacturers Life Insurance Company of Canada in 1972 and acquired control of the Real Estate Corporation, a major South African listed property company, in 1973. In 1974 a further acquisition was the South African life insurance operations of Sun Life Assurance Company of Canada. The following year Liberty Life procured control of Clydesdale Collieries. Other procurements were the entire issued share capital of Rapp & Maister Holdings (1976) and First Union General Investment Trust (1977).

In 1978 control of the Liberty Life Group returned to South Africa when Liblife Controlling Corporation was formed by Donald Gordon, Michael Rapp and the Standard Bank Investment Corporation.

In the 1980s Liberty Life attained a listing on the Stock Exchange in London. TransAtlantic Holdings, the vehicle for Liberty's international development, was established in London and obtained a major interest in Capital and Counties, a leading United Kingdom property company. In 1983 Liberty Life, in association with the Johannesburg Consolidated Investment Company and the Anglo American Corporation, acquired joint control of the Premier Group Holdings, which in turn acquired a 35 per cent interest in the South African Breweries. A substantial shareholding in Gold Fields of South Africa marked 1984. TransAtlantic acquired control of Capital and Counties in 1985, and in the following year of Continental and Industrial Trust, a significant authorized investment trust listed on the London Stock Exchange. In 1987 the Prudential Assurance Company of South Africa became a wholly owned subsidiary and Liberty became the largest shareholder in the Standard Bank following the final disposal of Standard Chartered Bank's stake.

Liberty holds, in equal shares with Union des Assurances de Paris, France's largest insurance group, 55 per cent of the Sun Life Corporation, a leading United Kingdom life insurer.

Donald Gordon's charitable and community activities have been considerable, though possibly not as widely known and appreciated as they deserve to be, for he has chosen to maintain a low personal profile in this regard. In 1971 he formed the Donald Gordon Foundation, which over the past twenty years has ploughed vast sums into our society. He has taken a particular personal interest in homes for the aged, in community-health projects, and in the care of disabled people, abused children and life's other victims.

Over the past eight years the Liberty Life Group Community Fund has made significant contributions to the social development and well-being of various communities. In April 1990 Donald Gordon announced the formation of the Liberty Life Foundation, which is expending a minimum of R100 million over a five-year period.

Through these various organizations Donald Gordon is deeply involved with both formal and informal education initiatives across the spectrum, from early childhood to tertiary and adult education.

Universities in general have benefited from this generous patronage, and Wits University in particular has had a long-standing relationship with both Donald Gordon and Liberty Life. Donald Gordon is a member of the Witwatersrand University Foundation. The Liberty Life Chair in Finance and Investment Management has been established in our Faculty of Commerce; the Liberty Life Foundation is currently involved in an initiative which will ultimately provide within our Centre for Continuing Education the only graduate-level training for pre-school teachers in southern Africa; the Centre for Applied English Language within our Faculty of Arts will be the only specialist centre for second-language English teaching in South Africa; and the Wits Economics Initiative, a project of national significance and reach, has put our Department of Economics on the international map. These are but a few of many undertakings at our university which have come about as a result of Donald Gordon's vision.

The University of the Witwatersrand is not the only university to benefit from Liberty Life's vision. A residence which is currently under construction at the University of the Western Cape has been funded by Liberty Life, as have the Sports Complex at Rand Afrikaans University and the Sports and Exercise Science Unit at the University of Cape Town. These are but a few of the projects in a long and impressive list which embraces all of South Africa's tertiary education institutions.

During 1990 the Liberty Life Group Community Fund assisted over 500 organizations and projects. Amongst them are child-protection television programmes which have been televised on TV 1, 2 and 3 and included in the curricula of schools under control of both the House of Representatives and the House of Delegates. Furthermore, Liberty Life's sponsorship of the National Toll-free Child Emergency Service has seen its number of users increase from 300 a month in April 1990 to over 12 000 a month currently. The Liberty Life Child Care deals primarily with cases of sexual abuse of children reported in the greater Johannesburg area. It also acts as an adviser to numerous child-protection and child-abuse agencies.

Donald Gordon has been described as one of the most successful South African businessmen of the century. His innovative brilliance in the insurance industry and the spectacular success of the company which he founded have produced profound benefits for so many in this country and abroad. In addition to making a remarkable and dedicated contribution to economic life, Donald Gordon, quietly and unobtrusively, has generously supported many social and educational bodies, including this university. As a tribute to a man of vision with a deep social conscience, who has accomplished so much for the benefit of so many, a man who has been closely associated with this institution as a student and a friend, the University wishes to confer on him the highest honour that lies within its bestowal, that of the Degree of Doctor of Economic Science, *honoris causa*.