

IEC buys ^{343 Bay} VMD, city's oldest firm

The latest arrival on Victoria's high-technology scene has bought the city's oldest manufacturing firm.

The 121-year-old Victoria Machinery Depot, which built ships for nearly 100 years and has concentrated for 20 years on heavy pressure vessels for pulp, petroleum and petrochemical industries, was bought outright by International Electronics Corp., which plans to develop new technologies in the energy field.

IEC owner Frank Hertel said VMD would continue with its existing staff and management, plus a number of new employees to work on its energy-oriented projects.

He declined to reveal the purchase price but said an astute businessman would get VMD for less than its \$12 million asset value.

Bruce Campbell, president and former owner of VMD, said he could not reveal the price.

"We are very enthusiastic about becoming an IEC company. We think we have something to offer the new owner and that they have new opportunities for us.

"It was a move in the direction we have thought we should be heading," Campbell said.

He retains a consulting role in the company.

Ideal manufacturing base

In announcing the transaction at a luncheon meeting of the Victoria Chamber of Commerce, IEC spokesman Cedric Steele said VMD's 3.5-hectare harbor location with rail and marine access makes an ideal manufacturing base for exporting to the Pacific rim.

Advertisements for applicants for key positions will be appearing this week, Steele said, adding that two appointments have been made — Warren Little, a former professor of electronic engineering at the University of Waterloo, and a specialist in hybrid integrated circuits, Reg Pfeiffer, a Canadian now working in California.

IEC, which last month opened offices in the Wismer House at 1112 Fort St., had also attempted to take over Dynatek Electronics Corp.

Dynatek rejected the bid, then filed a \$30 million lawsuit against IEC, claiming the firm breached a March 19 agreement that called for the pur-

chase of debentures "and tax deductions and credits."

Then Dynatek abruptly dropped the suit last Friday, two days after the action was launched in B.C. Supreme Court. Lawyers for neither firm would explain the reasons.

IEC already has obtained about \$70 million in funding from other corporations — most of it from Esso Resources Canada Ltd. — to start up a research and development operation to produce energy-related inventions.

Hertel said Tuesday that VMD will design and make prototypes of microwave binary electrical generators for extracting useable heat from geothermal and hydrothermal sources.

There will be three prototypes of 100, 300 and 1,000 kilowatts capacity. The system is a key component of Hertel's enhanced oil recovery process for abandoned wells, one of a number of proposed energy-related projects.

Eight unions involved

Union official Neil Hindle said Tuesday evening the union will be meeting with VMD's new owner today.

"We knew nothing about the sale beforehand. We'll be interested to learn more at Wednesday's meeting."

Hindle, business agent of Local 191 of the International Brotherhood of Boilermakers, Iron, Shipbuilders, Blacksmiths, Forgers and Helpers Union, said there are fewer than 50 people now working at the Bay Street plant.

The workers are represented by eight unions.

Campbell bought VMD three years ago from Harold Husband, a Victoria entrepreneur who guided the business through the post-Second World War period, shifting emphasis away from shipbuilding toward the rapidly-expanding oil and chemical industries.

VMD in the late 1960s built the

largest semi-submersible oil drilling rig of its kind for initial offshore exploration of the B.C. coast, the company's final shipbuilding effort before closing its number two yard at Ogden Point.

Originating as the Albion Iron Works in 1863, VMD added a foundry in 1882 when it changed its name. A shipbuilding berth, marine railway, and full plating and machine shops followed, enabling through the 1940s to '60s construction of warships, freighters and vessels of the B.C. ferry fleet.

Its most significant addition following the war was a 3,000-ton Krupp forming press, brought from Germany in reparations by way of the U.S. This large hydraulic machine enabled VMD to make heavy pressure vessels of a size and quality competitive in the world market for refineries, pulp digesters and deep submersible vessels.