



VMD closing doors on 131-year history

By Gerard Young
Times-Colonist staff

Victoria Machinery Depot, whose roots go back to 1863, is shutting down, throwing about a dozen people out of work.

"We're very disappointed. It's a real shame," VMD president Eric Dyke said Wednesday. "But we've gone for two years without significant contracts."

The company, which repairs and builds heavy industrial equipment, expects to shut its Bay Street yard within two to three weeks after several small jobs are complete.

Dyke said the unionized seniority list contains about 60 workers, but most have not worked at VMD over the last year. Only 12 to 14

□ Yarrows unions say they're through talking with the struggling shipyard about concessions because the company failed to live up to its end of the bargain. *Story/A2*

shop and office workers have been on the job, he said.

VMD will honor severance provisions outlined in the collective agreement, and much of the red tape around payments will be taken care of when the yard is officially closed, Dyke said.

Some laid-off workers have already exhausted unemployment insurance benefits and are on welfare, he noted.

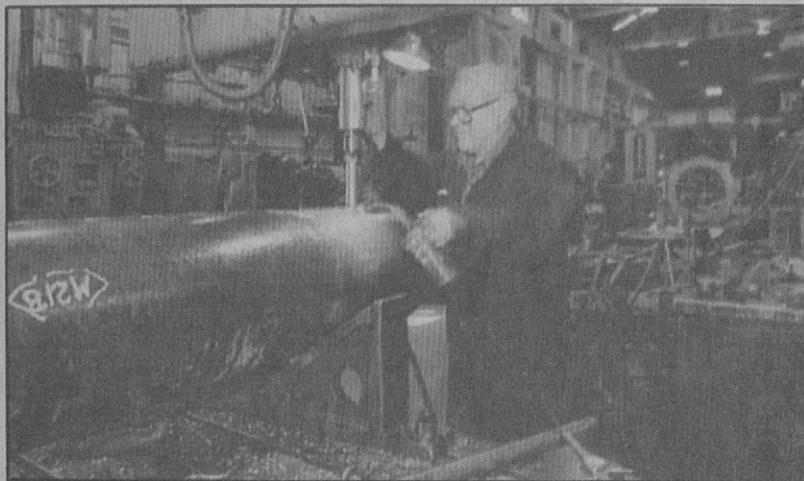
The company has a rich history

but hit bad times when it went into receivership in 1986. Twenty-three employees kept it afloat by purchasing the struggling company.

"With the current labor and business conditions, we could not see any way to make it work," said Dyke, who added the market has shrunk.

Land and equipment are being sold to meet financial obligations and shareholders will likely get back their investments, he said. There are 175 preferred shareholders and 23 common shareholders, some holding both kinds of shares.

Dyke said, apart from the lost jobs, VMD's demise will probably affect local shipyards, which



John McKay/Times-Colonist

■ MACHINIST Geoff Beech, at VMD since 1949, works on boiler part.

needed the company for some repair work. He suggested work will now go to Vancouver shipyards.

Bill Morrison, spokesman for the Boilermakers Local 191, said VMD's unions agreed to wage roll-backs in its last contract with the company and were prepared to look at a request by VMD for other concessions.

But VMD didn't get back to the union with a concession proposal,

instead deciding to close, he said.

"Between this and Yarrows, where does the working man go in Victoria?" asked a clearly disappointed Morrison. "It's not good for Victoria."

Esquimalt-based Yarrows shipyard is struggling to survive. And though the company maintains it wants to continue in a downsized format, its unions and other industry observers are skeptical.