

# Devco takes over Jiger production

By David Bentley

The Cape Breton Development Corp. has taken over control of Breton Versatrek Ltd., Brampton, Ont., manufacturer of the Jiger go-anywhere vehicle.

The move follows Devco's decision to pump more money into the company to help it overcome design difficulties that have halted production at its Sydney, N.S., assembly plant since April (FP, April 26).

Major problem has been the transmission cooling system on the Jiger. However Dowty Equipment of Carada Ltd., Ajax, Ont., has redesigned the system. Production is scheduled to start up again later this month.

The corporate shake-up has given Devco a majority of Versatrek's board members. And the development agency's senior financial analyst, Thomas MacNeil, has taken over as interim chief executive from President John C. Mason.

The history of the Jiger has been short and volatile. A Canadian invention, it

was originally the property of Jiger Corp., declared bankrupt early last year.

Mason, Toronto franchised dealer for Jiger, got financial backing from Toronto interests and negotiated a \$600,000 loan from Devco to purchase Jiger Corp.'s assets and set up Versatrek with assembly at Sydney.

The vehicle was extensively redesigned and priced at \$1,345 fob Sydney. Officials say about 300 new Jigers have been sold since Versatrek entered production in late 1968.

Employment at Sydney reached 40 before the shutdown. Meanwhile another Devco-assisted plant, Richmond Plastics, employing 32, moved in from New Westminster, B.C., to produce Jiger bodies.

Devco officials refuse to say how much extra cash has been pumped into the company. But Versatrek executives say the total indebtedness to Devco now runs around \$1.25 million.

Devco has taken control during the current crisis to protect its investment. It is expected the agency will appoint a new, permanent chief executive officer shortly.

Mason told FP he resigned voluntarily to make way for MacNeil.

Another twist to the Jiger story: some U.S. corporations, anxious to get a stake in the fast-growing rough terrain vehicle market, have been eyeing Versatrek as a takeover candidate.

Versatrek backers admit the company is, in effect, up for sale—at the right price and time. However, no offers have been made.

A sale could be made, once Versatrek's debts to Devco have been cleared.

Some observers are wondering whether such a development might involve moving the assembly plant away from Sydney.

Devco backed the company primarily to bring new work to the area.

One of the interested U.S. companies has been Coleman Co., which has an extensive product range in the leisure field.