NEW MANAGEMENT – STAYING SOUND AND STRONG

1991

R. Fraser Elliott, Frank B. Peterson, Douglas A. Short and James L. Thom retired as Directors, and the new management team assumed control, with Guy G. Bouchat as President. This ended 35 years of successful management that had not only directed and guided the Company through much adversity, but brought Montreal Shipping to the forefront of ship agencies in Canada.

Transfer of Ownership – 1991
Standing, left to right: Jean Paul Cormier, James G. Allan, Michael H. Belmer, Michel Van Straubenzee
Sitting, left to right: Guy G. Bouchat, Frank B. Peterson, Douglas A. Short
Missing from Picture: James L. Thom

1992

Hapag-Lloyd entered the Far East in direct competition with Mitsui O.S.K., leaving Montreal Shipping little alternative but to withdraw from representation of Hapag-Lloyd. Though it was a difficult decision, it reflected the reality that, with the advent of mega-carriers, one agent could only represent one such East/West global carrier.

The cooperation of both major lines enabled the Company to set up a non-owned separate agency to represent Hapag-Lloyd in exchange for a service contract to conduct various back shop activities. This included computer data processing, accounting and office services. The new agency, Halo Maritime Inc., leased the office space in the major centers and took on the majority of the staff working on the Hapag-Lloyd account under Montreal Shipping. This arrangement, while challenging to orchestrate, was highly beneficial for the 60 staff members whose positions were retained. A great many of the staff still work for Hapag-Lloyd today.

The Company enjoyed a mid-year boost when Great White Fleet, Chiquita Brands International’s shipping subsidiary, appointed MSI as its agent in Canada.

While the pressure on freight rates continued to have a negative impact on the bottom line, thorough prudent investments and conservative policies, MSI remained strong.

The influence of a declining Canadian dollar also benefited management's efforts to weather the increasingly lower revenues derived from commissions.

1994

The Company was appointed by Gorthon Lines to represent their vessels in Halifax. The contract was beneficial for the Maritime office, and helped replace the loss of the husbandry for Hapag-Lloyd's vessels.

While ELMA Line discontinued their service to the East Coast of South America, the liner revenues in general began to increase significantly due to higher volumes. The revenues derived from the Operating Section also rose, as Abitibi's sales to international destinations strengthened.

1996

Current Management
Left to right:
D. Brian McDonald,
Brent M. Coulthard,
Michael H. Belmer,
James G. Allan,
Domenic Bravi and
C. Steven Drummond

Following a short illness, Mr. Guy G. Bouchat passed away, ending 55 years of dedicated service to the Company. Michael H. Belmer took on the Presidency and James G. Allan, C. Steven Drummond, D. Brian McDonald and Jean-Paul Cormier formed the new Board of Directors.

Due to over capacity of vessels on the Pacific, freight rates and volumes suffered dramatically, putting an end to the strong revenues received over the previous two years. The loss of Hapag-Lloyd and reduced involvement with Abitibi-Consolidated (whose name had changed as a result of another merger), made it clear that it was necessary for MSI to broaden the account base in order to retain the economies of scale required to be cost effective.

Expansion in Liner Agency was problematic; the larger carriers continue to squeeze the niche trade lanes and opportunities to add more lines were limited. The Senior Management (comprised of the Board members), together with Domenic Bravi and Brent M. Coulthard, decided to target and expand the breakbulk or conventional area of the business in both the Brokering and Port Agency sections. Consequently, a brokerage section was established in Vancouver. Shortly thereafter, a small Montreal cargo broker, Ocean International Transport Ltd., was purchased, and its two brokers added to the Montreal staff. The MSI subsidiary, Trealmont Chartering, was incorporated to handle this sector.

1997

South East Asia's dramatic economic decline had serious consequences upon world trade. Shipping lines saw tremendous erosion of freight moving to Asia. In addition, the merger phenomenon escalated, based on the belief that size was the only salvation for shipping lines; they had been unsuccessful in raising rates or managing over capacity, even with anti-trust exemption. The U.S. announcement of a move towards deregulation, and towards eventual disbanding of the FMC worried all ship-owners. MSI liner revenues continued to decline.

The management team's strategy to target the more traditional shipping area of tramp vessels and large parcels resulted in higher revenues for the non-liner sectors. This, in turn, allowed for a more balanced operation. The number of vessel tramp calls handled on the East Coast rose from 200 in 1996 to 253, and brokerage revenue derived from by Trealmont Chartering for East Coast and West Coast rose dramatically, re-establishing brokerage as a very important sector. This served to counteract the negative effects brought on by the volatile liner section.

As the Company expanded in the main market areas of Toronto and Vancouver, the name Montreal Shipping no longer captured the fully Canadian identity and direction of the Company as it had evolved over the years. The Company named was therefore changed to Montship Inc.

Montship's Head Office was certified ISO 9002, crowning eighteen months of concerted effort by the entire staff.

1998

The year began poorly, due to the continuing economic crisis in Asia and the declining freight rates on all services. Abitibi, following their merger with Stone Consolidated, restructured and assumed container and parcel bookings from Montship. This left MSI to manage and operate two time-chartered vessels serving the Caribbean. A six-month labor disruption at the Abitibi mills added to the pressure on the Company’s bottom line.

Offsetting some of the losses being incurred in the East, the Trealmont brokerage operation in Vancouver was active, expanding the account base by acquiring 14 new clients, including full logistical support for Central National Gottesman and the Celgar pulp mill.

The Trealmont operation in the East was busy as well, and continued to grow in the competitive brokerage area, resulting in a four-fold increase in revenue. While East Coast operations sought business to replace the loss of the Abitibi brokering, which had been handled almost exclusively for over 40 years, the Company also became involved with commodities outside the traditional forest products.

The Great Lakes European Shipping Line was inaugurated with Trealmont acting as booking and husbandry agents. A service to move waste paper pulp from Menominee, Wisconsin to Europe was introduced.


Halifax Staff

In addition, ForeSteel Line, which operated a breakbulk service from Europe to East Canada moving steel products under contract, appointed Montship to represent them.

All lines represented suffered the effects of reduced freight rates, and there was little indication of a change in pattern. It thus became clear that cost was the only area where lines had any control. Addressing the increasing pressure to cut costs, MSI established an Executive Cost Committee to monitor and oversee all areas of controllable cost. This resulted in some significant savings for our Principals. It also identified areas of opportunity where MSI could both save money for the Principals and be a profit center for Montship.

Trealship Services Inc. was established and given the two-fold mandate of finding ways to help reduce costs for the Principals and of identifying another area of growth opportunity for the Company.

Trealship Services Staff

while some emphasis was placed on spreading the account base to all aspects of international shipping, the Company was fortunate to add two liner services.

HUAL, a joint company of Hoegh Line and Ugland, both of Oslo, appointed MSI as its agent serving its New York Ro Ro service to Europe and the Middle East.

Bermuda Container Line of Hamilton, Bermuda appointed MSI as Canadian agent for its service from New York.

1999

The previous year was challenging, and required significant restructuring, but thanks to the support of the staff and ongoing loyalty of the Principals, 1999 proved satisfactory.

Globalization trends continued, with Australia-New Zealand Direct Line being purchased by CP Ships. While the management and staff of ANZDL were very supportive of the continuing the relationship with MSI, it was very evident that, given the large Canadian infrastructure of the CP empire, MSI’s separate representation in Canada could not continue on a long-term basis. It was therefore mutually agreed upon with the ANDZL Management that MSI would discontinue representation of their service as of the end of November, thereby ending eleven years of an excellent relationship.

Compensating for the loss of service to Australia and New Zealand, MSI pursued discussions with Columbus Line, who had shown interest in appointing a third party in lieu of their own offices in Montreal and Toronto. The Carrier’s extensive service network, with a mainly North-South orientation servicing South America and Australasia, was an ideal fit with the remaining lines represented. The year ended with the Eastern Canada appointment to act as representatives for Columbus Line, a Division of Hamburg-Sud, Germany.