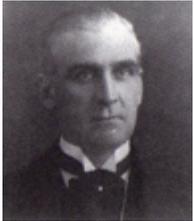


FORWARD

Charting the history of Montship Inc. has been a formidable journey made possible through the dedicated efforts of Frank Peterson, Chairman from 1978 until his retirement in 1990; and the valuable input of many sources, including our past two Presidents, James L. Thom and Guy G. Bouchat.

I am pleased to set forth a chronological outline of a Company founded in challenging times, when the shipping market was frequently rocked by world crises. In its first twenty years, Montreal Shipping faced the Great Depression and a second catastrophic World War. Even after the War, the Company was confronted with violent fluctuations in post-war international shipping markets, the Korean and Vietnam Wars, the closure of the Suez Canal and the Cold War. Having withstood these tests, contemporary issues such as rapid technological change and globalization continue to propel us forward, demanding our best as we map out areas of future growth.

1925



W.A.H. Hulton
First President:
1925-1941

Montreal Shipping Company Limited was founded on April 2nd, 1925 by W.A.H. Hulton of Hulton, Thompson and Company of London, and August Hansen of August Hansen Company of New York. A. Leslie Lawes and F.R. Heath, both from the U.K., migrated to Montreal to represent these brokerage companies and to direct the affairs of MSCL. Mr. Hulton was elected the first President and Mr. Lawes was appointed Vice-President. The Company commenced operations on April 25th.

The Canadian Agency of Lloyd Mediterraneo of Italy was the basis of the Company's business. The Company expanded with many U.K. tramp vessel appointments brought to it through the Hulton Group. The primary cargo was British coal, with return cargos of grain to Europe. Since Montreal routes were closed during the winter months, an office was opened in Saint John, N.B. to serve vessels year-round.

Pre-War and War Years - Making Our Mark

Montreal Shipping opened a seasonal office in Churchill, Manitoba to represent vessels calling on the very controversial Hudson Bay route. R.S. Dalgliesh Limited, for whom MSCL acted as agent, pioneered the movement of Canadian grain through the Hudson Bay, Eventually, the

economics of the 'Bay Route', as compared with the St. Lawrence Seaway, did not prove to be viable.

The same year saw a merger with J.H. Winchester & Co.. of New York. Winchester Noyes replaced August Hansen on the MSCL board, ending the association with August Hansen Company.

Meanwhile, Montreal's biggest shipping agent at the time, Thos. Harling and Son, declared bankruptcy. This worked favorably for the agency section of MSCL, and the Company continued to flourish. Concurrently, the Company developed close ties with F.K. Warren Co. of Halifax. This relationship led to MSCL's first ship owning investment, involving trade between the Maritimes and the West Indies.



A.L. Lawes' younger brother joining the Company also marked the year. C. Clifford Laws was appointed Treasurer and became Director in 1934.

1934

C.C. Lawes soon became very active in the Chartering Brokerage sector centered on the growing newsprint industry in East Canada. The Company began by fixing full cargoes of newsprint for the Anglo-Canadian Pulp and Paper Company of Quebec City. The shipments moved from Eastern Canadian ports to the U.S. Atlantic and Gulf ports. An initial effort was made to establish a presence on the West Coast and a Vancouver office. Unable to secure a base account, the office was closed in 1954.



1937

Difficulties associated with the Great Depression forced Lloyd Mediterraneo to discontinue their service. Soon thereafter, MSCL was appointed agent for Capo Line of Genoa, Italy. This representation continued until Italy entered World War II.

1940 & 1941



Formal Receptions Honouring Staff - A Long-Standing Company Tradition

Notwithstanding the increased volume of tramp vessels handled, the most profitable section of the Company's business was the chartering area being developed by C.C. Lawes. The most notable chartering business was the appointment as Brokers and Operating Managers for the Montmorency Paper Company. A pooling operation was established to move newsprint and woodpulp from various Anglo mills in Quebec City, Grand Falls and Chandler to the Eastern United States. This pool was eventually named Montmorency Shipping Limited. Ownership of the



Off the coast
of Halifax, 1941

newsprint company changed and the shipping division evolved to become Price Shipping Limited, and later, Abitibi-Price Shipping. Today, Montreal Shipping still acts as international shipping support for Abitibi-Consolidated.

W.A.H. Hulton passed away in April 1941, and A.L. Lawes,

who then assumed the Presidency, purchased his shares. During the War years, MSCL persevered without liner agencies. The tramp agency portion remained strong, buoyed by the U.K. Ministry of War Transport consigning requisitioned vessels to owner's agents.

The United States entered the War; and the operation of coasting vessels fell under the joint control of the United States, the United Kingdom and the Canadian Shipping Board in Ottawa. A.L. Lawes was appointed the representative of the Canadian Shipping Board in Washington and became involved in the allocation of tonnage to meet the requirements of essential industries in Canada. One such industry was the Newfoundland Railway and MSCL was appointed as agent. This representation involved the Railway's general cargo service to the mainland and necessitated the opening of a Halifax office in 1942. This new direct presence in Halifax severed the Company's connection with the F.K. Warren Company.



1942

During the War years, MSCL continued to actively pursue opportunities and established a Newfoundland subsidiary. The latter purchased two laid-up tugs, 'RIO SAMA' and 'CACHALOT', and took on a bare boat charter of the barquentine type vessel 'ANGELUS.' The two tugs were refurbished and chartered to the Canadian Navy. The 'ANGELUS' was sunk by enemy action en route from the West Indies to Halifax on May 19th, 1943.

1943

Coastal activities increased throughout the War. The Company's busiest period saw it operating some 30 vessels for the amount of various Principals, including the Newfoundland Railway, Anglo-Newfoundland Development Company of Grand Falls, and the Anglo-Canadian Pulp and Paper Company. Augmenting the Company's responsibilities, the Ministry of War Transport requested that MSCL take over the management of some lake vessels assigned to them under F.D. Roosevelt's program to replace Trans-Atlantic tonnage lost in the Battle of the Atlantic. Three of the vessels, 'FLEETWOOD', 'FELLOWCRAFT' and 'TAMPICO' were used to supply coal at the convoy assembly ports of Saint John, Halifax, Sydney and St. John's. These same three vessels were later used in the Allied invasion of Europe.

Seeking to aid the war effort and to replace lost tonnage, the Canadian Department of Munitions and Supply ordered the building of vessels in the 4,700 to 10,000 ton range. The Government allocated the management of these vessels to Canadian shipping firms. MSCL was awarded several.

With the ambition of venturing into ship owning, Mr. Colin Webster, of the prominent Montreal Webster family that owned Canadian Import Company Limited, was asked to join MSCL. Mr. Webster subsequently became a member of the Board of Directors, and remained on the Board until 1985.