

**Preserving a treasure
of unsuspected wealth**

...or...

**Can the Port of Montreal grow elsewhere
than on the waterfront?**

Speech by Mr. Dominic J. Taddeo

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Board of Trade of Metropolitan Montreal Luncheon

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Distinguished guests of honour,

Ladies and gentlemen,

When the Board of Trade asked me to be a speaker at this luncheon, I immediately accepted. You know, I have Italian blood in my veins and I was taught by the Jesuits. You can well imagine that I was not about to turn down such a great opportunity to take the stage. And everyone who knows me knows that when I start talking about my passion – the Port of Montreal – I can't stop. But don't worry, I won't be too long, because I know that no one listens well on an empty stomach.

To begin with, I would like to talk to you about a treasure. From childhood on, treasures have fascinated us. There was one in *Treasure Island* by Robert Louis Stevenson, and in *The Count of Monte Cristo* by Alexander Dumas.

Who hasn't dreamed of sunken treasure lying at the bottom of the deep blue sea? And have you ever noticed that any time someone talks about treasures, they also mention navigators and ships? And that there is often an island in treasure stories?

- 2 -

Well, there you have it. I am here today to speak to you about a treasure island or, rather, the treasure of

unsuspected wealth that this island contains. In spite of the tireless efforts to bring its full value to light, this treasure remains hidden.

It is hidden by a large city, by the daily affairs of each and everyone, by the current infatuation with telecommunications, the pharmaceutical industry, aeronautics and multimedia. A very legitimate infatuation, but one that leaves everything else in the shadows.

- 3 -

Of course, you have probably guessed that the treasure to which I am referring is the Port of Montreal, the port and the international dimension it gives to Montreal. Let's take a few moments to consider the full extent of its importance.

A few hours from now, a magnificent vessel loaded with close to 2,800 containers will dock at the Port of Montreal. It will bear a wide variety of goods: fruits and vegetables, wine and other alcoholic beverages, tools, machinery and automotive parts, furniture, computers and electronic games – in short, all types of products that North America trades with Europe.

- 4 -

The value of the goods carried by this ship totals more than 33 million dollars.

Year-in, year-out, the Port of Montreal handles more than 20 million tonnes of merchandise annually. Not just containerized goods, but also steel, forest and petroleum

products, grain, sugar, various ores, salt, fertilizers and many, many others.

Three-quarters of this traffic consists of imports and exports with a value in excess of 15 billion dollars, representing more than 40 per cent of Quebec's international maritime trade.

- 5 -

The Port of Montreal is a veritable horn of plenty when you consider the value, the quantity and the variety of all the goods that pass through here. And this is not all: port activity in Montreal generates economic spinoffs of 1.7 billion dollars annually and is the source of some 17,000 direct and indirect jobs, jobs that are for the most part very well paying.

But there is even more. There is this huge and invaluable competitive edge at the disposal of exporters from Montreal and Quebec: a port that gives them easy, efficient and economic access to the global market.

- 6 -

And what about our industries and businesses that find it just as easy, efficient and cost-effective to obtain their raw materials and products of all kinds from around the world. This translates into thousands of other jobs.

At the Port of Montreal, we boast close to 40 shipping lines that link Montreal to more than 80 countries around the world. A dozen of these lines offer regular weekly service,

providing access to all major ports in Europe and the Mediterranean.

- 7 -

Montreal is an international port city. In fact, Montreal is, quite simply, an international city -- its reputation due in large part to its port which, we must not forget, was the very cradle of trade in North America and has become the gateway into North America's industrial heartland.

Quite undeniably, Montreal is a hub, a major centre for the transshipment of goods. The traffic handled here is 10 times greater than that handled by the Port of Toronto, a detail

unknown to many, owing to the fact that we all tend to focus on our neighbours' greener pastures. I propose, rather, that we lovingly nurture what thrives closer to home.

- 8 -

Can we put a dollar sign on what the port represents for our industries and businesses? What does the port and the international character of Montreal represent for the community at large? I believe that the question doesn't even have to be asked. It is as if you asked how much your eyes are worth, or your charm, ladies, or your virility, gentlemen. It's priceless! I am sure that if Montreal were not a port and international city, we would move heaven and earth to make her one.

The problem is that the Port of Montreal is part of the furniture, to use a common expression. Because it has been around as long as Montreal, we sometimes take it for granted.

- 9 -

It is true that there have always been people who were concerned about the future of the port: people who believed that it was seriously threatened by the opening of the St. Lawrence Seaway in 1959 – they thought ships would pass right by Montreal!

Others thought it would be threatened by the construction of container terminals in Halifax, by the deregulation of railroads in the United States, by free trade, etcetera!

Well, ladies and gentlemen, these are false perceptions.

- 10 -

The Port of Montreal is very much alive and well and with a bright future ahead of it thanks to the tremendous advantage of being the closest port to the markets of Central Canada and the American Midwest and Northeast. Thanks also, and in large part, to the flow of container traffic.

Even so, there are still people who think that the port is threatened by sea monsters. However, these giant ships capable of transporting 3,500 containers and more have been around for more than 10 years, and during that time, the Port of Montreal reaped more than its share of success! Our container traffic increased by 7.9 per cent per annum over the last five years.

- 11 -

We will end the last century with a seventh consecutive record year in container traffic.

The Port of Montreal today handles as much if not more containerized cargo for the North Atlantic market than all other ports on the North American eastern seaboard. That's right! As much if not more than the Big Apple, the Port of New York.

This is a state of affairs that even the most skeptical should find staggering!

As you can see, the seafaring giants have not reduced our market share. Specifically, their aim is to provide around-the-world services and cater to the Pacific megamarkets.

In Montreal, shipping lines focus on fast, highly-frequent services and on the economic benefits associated with the ability to completely unload and reload their vessels at a single port. In fact, they have made Montreal their terminus port, and their only stop in North America.

The Americans have even had to admit that the Port of Montreal has carved a niche that is totally unique on the North Atlantic.

Okay. Up to this point, I wanted to get you to appreciate this treasure, this huge collective asset that is the Port of Montreal.

I also wanted, very briefly, to make you understand that this port is in the major leagues and that it is a very successful player. But for all that, I would not want to give you the impression that the game is easy. On the contrary, the competition is extremely intense and it is not about to beat a retreat.

So what are we doing -- and what will we do -- to preserve the Port of Montreal?

I would first like to explain that for several years now, the front-line stakeholders, specifically shipping lines and agents, land carriers, terminal operators and the Montreal Port Authority, have intensified their efforts to streamline expenses, reduce door-to-door transportation costs and times, and improve fleets, infrastructures and equipment.

Time does not allow me to go into detail about these initiatives. I would, however, like to take a couple of moments to talk about the port's high-tech capabilities.

For although the maritime shipping trade dates back to the time of the Phoenicians during the third century B.C., it is quite clear that ships and ports, in particular Montreal, are of their time and more than ready to embrace the 21st century and a new millennium. I would like to give you a few examples.

In recent years three of our shipping lines have, on their own, invested close to 800 million dollars in the construction of container ships and ultramodern bulk cargo ships.

- 16 -

This is quite a vote of confidence on the part of these lines, which have built more hydrodynamic vessels that are

adapted to the St. Lawrence River and capable of carrying more cargo with less draught. More ecological ships, as well, safer and more efficient than ever thanks to the “bionic vision” provided by electronic navigation.

The instruments that are available to navigators today look more like those used by James T. Kirk and Mr. Spock than those of our great forerunners, the Taddeos, the Marco Polos, the Colombuses and the Cabotos.

- 17 -

As regards landside operations, we use computerized dockside gantry cranes and other handling equipment to load and unload cargo. We electronically exchange manifest

data from ships. Fibre optics has increased both the capacity and speed of information transmission throughout the entire port territory.

Back on water, electronics are used to read and better forecast water levels with a view to optimizing vessel loading.

- 18 -

High technology has also allowed us to complete our project for the selective dredging of shoals. Modern tools were required to chart and dredge shoals up to 30 centimetres or one foot thick, scattered on the channel bed.

Finally, high technology has also made it possible to improve winter navigation. I remind you – is this even necessary? - that the Port of Montreal is open even in winter, and has been since 1964. For heaven's sake, you would think by now that at Christmastime people would stop saying to me, "Mr. Taddeo, you'll be able to relax over the winter."

- 19 -

I confess that my blood boils when I hear this. So please, don't let yourselves be guided, like our parents and grandparents, by the thermometer. Ships come and go in the port even at 30 below zero!

Trucks should also be able to come and go without hindrance. Due to a lack of time, I say this as a small aside

to underline the importance of preventing, in summer and winter alike, the eternal traffic jams on our roads and bridges. We need a fluid traffic flow to ensure the competitiveness of the Montreal region and the port in particular.

- 20 -

Ladies and gentlemen, I can tell you today with pride that the port is ready to undertake a new century of activity. Ready, but still with exhilaration because the future is becoming the present faster and faster.

Change has become the only constant, and this is why we have made of the Port of Montreal a perpetual construction

site. This port will never be finished. Otherwise, it will be kaput! It would have no future.

- 21 -

At any rate, that's how we at the Montreal Port Authority see things. Over the past 20 years, we have invested close to 265 million dollars to make this a modern port. We plan to invest another 120 million dollars over the next five years.

Furthermore, 10, 20 or 30 years down the road, it will not be said by our successors that we lacked vision. It already has been 10 years since we assembled a landbank at Contrecoeur to ensure the long-term future of this port.

- 22 -

It is not a matter of moving the port, but rather of giving it the space it will need to grow, but which it won't be able to find any more on the island.

We never pass up an opportunity to spur on port activity. In every way. Because in addition to providing modern facilities and investing in high technology, we are intensifying our marketing and promotional initiatives, and we offer the most competitive tariffs possible.

- 23 -

Dear friends and taxpayers, please be advised that, unlike its competitors on the North American eastern seaboard, the Montreal Port Authority receives no subsidies. It even pays municipal taxes in the form of grants.

If we succeed in meeting all our obligations without a single subsidy, doesn't this suggest that the administration enjoys good financial health?

Of course! For example, it makes enough profit -- 100 million dollars in the last 10 years -- to independently cover the financing of its capital expenditures. In 1999, we forecast a net profit for the 20th year in a row.

- 24 -

This financial health must be preserved at all costs to build the port's future and continue to ensure its economic benefits.

Ladies and gentlemen, I would be remiss not to open another small parenthesis here to pay homage to our past and present board members, notably the current Chairman of the Board, Mr. Raymond Lemay, as well as past Chairmen, Messrs. Roger Beauchemin, Roméo Boyer, Ronald Corey, André Gingras and their respective teams, and not to forget my own predecessors, Nicholas Beshwyat and the late Guy Beaudet.

- 25 -

I also warmly salute the management and the entire staff of the port authority. Allow me to tell you that we form an exceptional team within another team that is just as great, namely Montreal's maritime community, which is so well represented here today.

Time is running out and there is still an important issue to discuss: Can the Port of Montreal grow elsewhere than on the waterfront? You could say that asking the question answers it, as it's that obvious. So what's the problem? I would say that it can be summed up in a single word: covetousness.

“Thou shalt not covet thy neighbour's wife,” says the well-known commandment. And if the Good Lord sent us the tablets of stone today, he would have added, to be politically correct, “and thou shalt not covet thy neighbour's husband, either!”

You shall not covet . . . easy to say -- but not always easy to do, depending on what is being coveted. And from what I can see, the port area is highly coveted. It is coveted for commercial space, residential condos, hotels, parks, river access, and more.

On this subject, I sense that you can immediately make a link with a topic that is in the news.

You may be wondering if I have something to announce with regard to the Technodôme. I therefore ask you to let me take a minute or two to go over the situation.

At the risk of disappointing you, I must tell you straight off that I don't have anything really new to announce, except that things are moving forward.

Last summer, exactly one month after having received a formal offer of purchase from Heathmount Arts and Entertainment, we awarded the real estate consulting firm Devencore the mandate to conduct an extensive survey of the Bickerdike site and its surroundings, the southwest sector.

Before even receiving the Heathmount offer, we suspected that the Bickerdike site was going to be more and more coveted. And you can understand why as easily as we did.

Within proximity of the Lachine Canal, which is going through a rebirth, the Old Port, which is continually being beautified, the Cité du Multimedia, which is in full flight, the lush green Cité du Havre and the Casino, this vast site with a superb view of the river and the city is going to shoot up in value and inspire more than one developer.

There is enough space on the terminal and the Bickerdike Pier to build five Place Bonaventures. And the berths between the Bickerdike and Pointe-du-Moulin Basins stretch as far as the distance between Peel Street and the Jacques-Cartier Bridge.

Ladies and gentlemen, rest assured that we are moving forward with all due diligence on this dossier, which by the way is very complex. But people must understand that we do not have any other facilities upstream from the Old Port except those at Bickerdike, and that these facilities are well and truly active.

On the other hand, we don't really have that much space to serve our clientele on the island of Montreal. Few ports in the world handle as much goods in as restricted a space. Our container terminals are among the most productive in the world.

In short, all this is to tell you that we must re-evaluate the use of all our facilities on the island of Montreal. All the possibilities must be considered from every point of view: practical, technical, environmental, legal and financial.

Devencore will present its report to our board later this week, and our directors will study it attentively before deciding on a course of action.

I can assure you of one thing: We will never lose sight of the interests of the community. We want to act as good citizens, but also as responsible port administrators and as prudent businesspeople.

We aim for the optimum value that is the safest and most enduring for both the community and the port, without ever losing sight of the core of our mandate and our mission: to facilitate domestic and international trade, to provide highly-efficient services and facilities to satisfy our clients' needs, and to increase and promote the competitive advantages of the Port of Montreal.

As I was saying, the port site is very coveted. But there is not just a problem of covetousness; there's a problem of promiscuity or cohabitation.

Over the years, we have taken several measures, some of which were very costly, to reduce the impact of port activity on the social environment. For example: we limited the handling of bulk cargo in sensitive sectors, and we have contributed financially and otherwise to provide solutions to certain problems of urban cohabitation.

We will continue to harmonize port activity with its surroundings, although I fear, dear friends, that some mistakes are being repeated — mistakes that were made in the past when there was less focus on urban planning and on how different and expanding urban functions would evolve and co-habitate.

More specifically, I see that construction is under way and that more and more construction is planned for apartment buildings, commercial condos and maybe even a hospital close to the port railway network situated between Berri Street and our piers just to the east of the Jacques-Cartier Bridge.

The people who come here to build or establish themselves in this sector won't be able to plead ignorance later on. They know very well that there are piers here, but more importantly, railway tracks belonging to the port where the average traffic on a daily basis is the equivalent of seven trains with 50 cars or close to 2,000 containers.

You know, one of the best ways to scuttle this international port, to sabotage it for the benefit of its competitors on the eastern seaboard, is to weaken its rail link with Toronto, Detroit and Chicago.

- 35 -

Close to 60 per cent of our container traffic is carried by rail. The point of origin or destination of about half of our

container traffic is the American market, especially the Midwest.

Without this market, the Port of Montreal could not offer our industries and business as vast a choice of competitively-priced transport services, and as frequent a number of ship departures for so many destinations in the world.

- 36 -

The port's railway network must not be touched. Especially not the sensitive section situated between Berri Street and the entrance to the Hochelaga Yards of Canadian Pacific's Saint-Laurent and Hudson Railway.

Nor to the railway lines that cross the Old Port to allow Canadian National quick and efficient access to our berths. It is vital!

Please do not start thinking that the Port of Montreal wants to occupy all the space. I simply want to tell you that the Port of Montreal must have its place, because it is a collective asset that is priceless and it must not be taken for granted.

- 37 -

We need a broad enough social consensus to preserve this asset. We need the support of all three levels of government, socioeconomic groups including the Board of Trade, and the population in general.

You've probably guessed by now that I am extremely proud of the Port of Montreal. Personally, I owe it a great deal, as it allows me to feel that I am playing a truly useful role in society.

- 38 -

And I feel the same sense of pride about Montreal, a city I love – in fact, a city I'm in love with! For me, it represents the very heart of Quebec and Canada as a whole.

Montreal! A cosmopolitan and colourful city, a happy blend of French, English, Italian!, European and American cultures.

Montreal, welcoming and safe, beautiful, happy and festive,
artistic, entertaining and sporty.

- 39 -

Montreal is also a centre of higher learning and new
technologies, an international business forum. It is also -
let's not ever forget it - an international port city. We must do
everything in our power to make sure it remains so.

Thank you.

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