

handicap that the ocean carrier would be unable to overcome; that is, unless ships of every flag were permitted to use the waterway without paying tolls. Such a policy, however, is inconceivable, for then we should witness the spectacle of the ships of Swedish and other nationals, operated at much lower costs, driving American and Canadian Lake vessels from their own waters. Both the Suez and Panama Canals exact tolls from all vessels using these waterways, and the St. Lawrence Ship Canal will have to also, exempting from such tolls of course the inland carriers of both countries. It is true that inter-coastal vessels under the American flag will have to pay the regular Panama Canal charges, but this is an entirely different matter and one that is predicated on international treaties and policies. The Atlantic and Pacific oceans belong to all the world and any waterway connecting them should be open to all nations on equal terms. As an emergency remedy, it might be advisable for the Canadian Government to abrogate the treaty under which the canals of both countries are reciprocally free, charging tolls to American vessels. There are only four Canadian Lakes cargo carriers that cannot negotiate the Canadian Sault Canal, and these could pay the tolls that the United States in its turn would exact for the use of the American locks by Canadian boats, but how this could be done in the face of the fact that the waterway itself, although internationalized, in its upper reaches is practically American, is a moot question.

#### MONTREAL MUST RETAIN ITS SUPREMACY AS A GRAIN PORT.

No matter what the future may bring forth, grain should always remain the preponderant single commodity of export traffic for Canadian ports, and the Government should exert every effort to influence its movement through Canadian channels. It is not generally known that by far the greater portion of our annual grain crop that reaches the sea by way of the Great Lakes is exported from the Eastern Seaboard of the U.S., being carried from Fort William and Port Arthur to Buffalo almost exclusively in vessels of American registry. In the 1928-1929 crop year, for example, out of total Canadian Lake shipments of 365,000,000 bushels, more than 187,000,000 were exported to Europe via American Atlantic seaports. Canadian grain exported wholly through United States channels is lost to Canada entirely immediately the vessel has cleared from Port Arthur or Fort William. Thus, the movement referred to above, at an average rate of seven cents a bushel to Montreal, would represent a direct monetary loss to Canada of approximately \$13,000,000.

How Canada can retain the enormous traffic that is inherently here is necessarily a deeply involved question. We must not lose sight of the fact that the owner of the grain has the