

season of the movement of crops, a steady stream of commercial capital in the form of cash and credits from New York, Montreal and Toronto to the West, especially to Chicago and Winnipeg. This stream of funds has its source in European credits which begin to be created as soon as shipment of the crop begins. Regularly, although not quite invariably, exchange rises so high, in consequence of the creation of so great a mass of "one-way" credits, that gold is shipped from Europe in the "autumnal drain." It goes without saying that New York provides exchange for both the United States and Canada. The reactions upon the money markets of both continents need not be pursued in the present study.

The entrance of the new wheat into the universal market, unless it merely suffices to satisfy the increased demand due to the increase of population and the rising standard of comfort, must, other things being equal, contribute to the fall of price. This fall of price must in succeeding years tend to drive out of the market those producers who are unable to offer their wheat at the market price without loss. The value of the wheat lands of such producers must fall as wheat lands and they must be abandoned or devoted to other uses.¹

On the other hand, so long as the demand increases in proportion to or in excess of production, and the price is maintained or rises, the inducement to engage in specialist production of wheat, even on land relatively less suited to such production, is invincible. The farmer will usually cultivate the crop which is most immediately profitable. The value of land so situated that it can be used for the production of the profitable crop will tend to advance more or less rapidly. It will tend to increase sharply when transportation facilities first bring it within reach of the market, and it will tend to advance still further with the

¹ Thus the opening up of the wheat areas in the United States caused a fall in the value of agricultural land in England, and the opening up of the Northwest of Canada caused a fall in the value of agricultural land in Ontario. Even in Manitoba the value of farm lands has been affected by the development of Alberta and Saskatchewan. There can be no doubt that advance of the price of land in the United States, particularly in the Middle West, has been checked by the migration of American farmers to Canada.