

II

The chief economic results of the development of specialist wheat production may be set forth as follows.

Railways have been built in advance of population into regions known or supposed to be possible wheat-producing areas. In such railway enterprises, even when population follows the railway and wheat production results, the traffic must for a long time be a one-way traffic, and the freight upon wheat must contribute at least a large percentage of the revenue of the line. This question of one-way traffic during the wheat-exporting season is a very serious one for the railway companies. Every year enormous numbers of cars must be concentrated in the West to meet the demands of the wheat traffic, and many of these must be sent empty. The regulation of railway rates and the sharpness with which discriminations are watched and punished in the United States and in Canada render it difficult for the railways to make concessions in order to secure traffic by inducing traders to anticipate their requirements; and the variability of the seasons renders it difficult to estimate, within a week or ten days, the date at which the cars will begin to be required.

The reason why the grain trade is so strictly a seasonal trade is that the most economical means of transport is partly by rail and partly by water. The freezing-up of the lake ports early in December and the closing of lake navigation places a limit upon the duration of the season. After the lake ports are closed, the grain can be carried to the seaboard only at an additional expense. Thus the season is a short one. Beginning in the first days of September, it practically ends, for the farmer, early in November; because a month before the actual close of navigation the elevator companies cease to buy for shipment in order to allow time for transportation to the ports and loading.

The increased production of wheat in new areas induces the provision of facilities other than those offered by the railways, *viz.* elevators, docks, steamships *etc.* Industrial and commercial capital is drawn into these enterprises also. The seasonal character of the grain trade exercises an important influence upon the movement of capital. There is, for example, at the