The early 1890's in Western Canada was a period of stagnation and despair and immigration all but ceased. But when the Hon. Clifford Sifton became Minister of the Interior in 1896 he initiated a vigorous promotion of immigration and changes in economic conditions helped to ensure the success of the new policy. A long depression and decline in wheat prices was reversed after 1893 and general recovery of world markets brought increasing demands for wheat. In "Manitoba No. 1 Hard" the Canadian West had developed a wheat strain adapted to the conditions of growth in the western prairies and later developments of other famous strains helped to extend the areas of cultivation. The new immigration policy aimed especially at persuading American settlers to come to Canada. People from the United States had begun to drift in for some years as the more fertile lands in the Western States and free lands were becoming scarce. Their numbers increased rapidly as did migration to the West from the older Canadian provinces. Although agriculturists from Great Britain were also encouraged to come to Canada, from 1899 to 1903 Continental European entries were about double the British. This period saw the introduction of the first major change in the ethnic composition of the Canadian population since 1763. Beginning in 1895 several thousand east-Europeans arrived each year settling in southern Saskatchewan and Manitoba. They were part of the 'new' immigration to North America from Austria, Poland, Russia, Hungary, the Balkans and Italy in contrast to the 'old' immigration which had been largely from northern and western Europe.

From 1905, when the Provinces of Saskatchewan and Alberta were formed, to the beginning of World War I there was a period of great prosperity in Western Canada and, from all sources, Canada received the largest immigration in its history. The peak year was 1913 when 400,870 immigrants arrived, 150,000 of them from Great Britain, 140,000 from the United States and the remainder from Continental Europe. The amount of land granted in homesteads and pre-emptions on the prairies doubled from 1905 to 1911. Railways and roads were extended, farms bought, towns built, capital invested and the demand for labour and goods was high. The frontier moved every day.

The break in the flow of immigration from Britain caused by the War lasted until 1920 and from Continental Europe until 1921. However, during this period economic development and colonization continued rapidly because of the tremendous demand for wheat and many American settlers came to locate on the plains. The depression of 1920-23 brought the first recession of settlement, but when conditions improved the Peace River District and northern areas of the Prairie Provinces became the main targets of the land-hungry farmers' sons from the prairies as well as of new immigrants. Immigration reached a new peak between 1926 and 1929, although not the proportions of the prewar years. According to the census, about 20 p.c. of the newcomers to Canada between 1921 and 1931 settled in the cities and most of the remainder in rural Western Canada.

With the onset of the depression of the 1930's, immigration was almost totally arrested. During 1931-40 only 158,562 immigrants arrived compared with 1,230,202 in the preceding ten years. It is difficult to say to what extent this decline was caused by depressed conditions prevailing in Canada and elsewhere and to what extent it was caused by restrictive regulations, though the restrictions on immigration were, of course, imposed as a result of the depression.

Since the end of World War II, and especially during the period 1948-57, immigration increased markedly when it became evident that Canadian industry had accomplished the transition to a peacetime economy without serious dislocation and that a new postwar era of economic expansion was at hand. Canada's remarkable postwar economic growth,