

Government's ~~Government's~~ policies and measures have been fully

Justified:

While Canada has made vast strides towards recovery in past 2½ years, two factors, beyond control of Government - drought and recession abroad - have had detrimental effect upon Canadian economy -

Drought - brought drastic reduction in exportable surplus of grain, cattle and other farm products -

S.g. wheat exports during past crop year only bus. as compared with yearly average of bus. over past 15 years;

Conditions abroad - effects most clearly seen in Canada's export trade with U.S. which, in first 6 months of 1938 showed % drop over corresponding period of 1937;

Prospects now brighter:

good wheat crop expected - while price of wheat has fallen, the money returns from sales will be well distributed throughout west - consequent effects upon relief expenditures, and upon railways, shipping, banking, and