

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, during past few months, had detrimental effect upon Canadian economy -

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

e. g. exports of wheat and wheat flour during past crop year only 90,000,000 bus. as compared with yearly average of 260,000-000 bus. over past 15 years;

Conditions abroad - effects most clearly seen in Canada's exports to U.S. which, in first 6 months of 1938 showed a decline of almost 50% 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 through