

Right Hon. Mr. GRAHAM: Hear, hear.

Hon. Mr. DANDURAND: The late Government dissolved Parliament when it could have retained power for another year. It appealed to the people, and I am happy to find that although it has lost power it has not lost the confidence of the country. It is a rare circumstance for a Government to appeal to the people and to receive an increased vote in, I believe, every province of the Dominion, without securing the majority of the members elected to Parliament. It is a consolation for the late Government, after having carried on for eight years, to find that it received the support of a larger number of citizens than ever before. The Government that I represented had a right to rely upon a repetition of the vote of 1926. It fared better: the vote for the candidates of the Liberal party was increased by some hundreds of thousands. I am not quite sure that the present Government received a majority of votes of the whole electorate. If one were to count the votes given to the various candidates, including those who were defeated as well as those who were elected, I believe it would be found that a majority of the people did not express themselves in favour of the present Government on the 28th of July. However, I do not intend to stress this point. In this country we have not proportional representation; so we must bow to the inevitable and accept what is supposed to be the will of the majority.

The late Government directed the affairs of this country for eight years.

Hon. Mr. McMEANS: Misdirected.

Hon. Mr. DANDURAND: I will not recall in detail the situation we had to face in 1921. That is well known. The Government was charged with the responsibility of operating a railway system which had large deficits and a mounting debt. I suppose no one will deny that in the eight years that followed we rehabilitated and extended that railway system. What had been a heavy financial burden, a liability, was converted into an asset. I remember that an honourable gentleman facetiously asked in 1925, "Why don't we sell the whole thing for a dollar?" Well, no syndicate, Canadian, British or American, would have accepted that railway system in 1925 for nothing.

Hon. Mr. CASGRAIN: In 1921.

Hon. Mr. DANDURAND: In 1925, I say, no syndicate would have accepted it as a gift. I wonder if any syndicate could have

been found to take it even if we had thrown into the bargain an annual bonus of \$25,000,000 for five or ten years. Honourable senators who were here in the spring of 1925 will remember that there was a Committee of this Chamber which tried to find a solution of our railway difficulties. Those difficulties were so great that we felt they were imperilling our whole financial situation. The Committee's unanimous report was adopted in this Chamber, and at that time all honourable senators were agreed that our railway system was in a bad condition. But not long after that date—within twelve or twenty-four months, I think—the railway was showing a clear operating surplus of \$40,000,000, which gave the system a value of \$800,000,000. Today, I think, it would be easy to find a syndicate willing to pay a billion dollars for it. The railway's income now justifies the valuation of a billion dollars; and, indeed, in view of Canada's present position and immediate prospects, it is possible that if the road were for sale we might secure a bid up to two billion dollars, which it appears to have cost.

The honourable senator from New Westminster (Hon. Mr. Taylor) would perhaps tell me that it was not the Government alone that brought about the difference; that the people also are entitled to credit. That is undoubtedly so, but the late Government selected the chief director of that railway system. If the system had been a financial failure, I suppose the former administration would have to bear the responsibility; therefore, it should receive some commendation because of the success that was achieved.

During the last eight years the late Government enormously strengthened Canada's financial condition, and as a result there were surpluses running into the millions. Those surpluses were not spent blindly, without a sense of responsibility, but were applied to the reduction of the national debt. Many a year—I think every year that the Liberal party was in power—the Minister of Finance was able to report that bonds totalling forty millions, or fifty millions, or seventy-five millions, had matured and he had redeemed them with surplus funds. I think that is a laudable policy.

The Liberal Government also reduced taxation. I will not go into figures, for honourable members have been present when, from time to time, measures providing for reductions in taxation came before this Chamber. Surely the bringing about of lighter taxes merits praise rather than criticism. Moreover, during the lifetime of the former Government