

overnight and then reconsider such an important decision. Capt. Tatlow replied that he would do so, provided that I would note down the guarantee rates of \$35,000 per mile and other factors named in the agreement with Mackenzie and Mann,—and be prepared by 10:00 a.m. next day to prove to him whether there was any possible chance of the burden of Interest being obviated by the projected Railway Companies' earnings being able to pay it!

He knew that British Railways had thus used me to estimate the probable earnings of projected railways and extensions, before companies decided to either survey, obtain powers, or contract.

He also knew that none of the railways in the U. S. or Canada had earned interest on their Bonds during the early years, and that the progressive policy of the Canadian Pacific Railway with its practical control of through traffic, and over-powering financial sway, together with northward traffic diversion the Grand Trunk Pacific would make by its earlier Trans-continental opening to Prince Rupert, would make it practically impossible for the C. N. R. to pay the Interest on those Bonds which Messrs. Mackenzie and Mann had induced Messrs. McBride and Bowser to pledge the Province's guarantee by ulterior means Capt. Tatlow so seriously dreaded, that he also consulted with some of his Conservative friends, who were opposed to Mr. Bowser's abuse of "patronage" and official power.

Next morning he came to see me and was very anxious to know whether I had been able to find any reasonable assurance that the C. N. P. Ry. through Mackenzie & Mann would be able to guard the B. C. Treasury against having to pay that interest liability and also whether I had been able to find from U. S. A. Railway records any case of a railway paying from the date of opening for traffic.

Unfortunately I could not find any such record, neither could I find any reliable ground for hope that Mackenzie and Mann could make such a line (through the least profitable part of British Columbia) pay interest on its Bonds.

Therefore his resignation, with Mr. Fulton's, was completed, Capt. Tatlow telling me very significantly that by the term "too late" he meant that subtle secret understanding made between Messrs. McBride and Bowser on the one part, and Mackenzie and Mann as to the ulterior arrangements between them—(in the same covert manner we later find was employed by Ministers McBride and Bowser in negotiating with the builders of the P. G. E. Rly., on pages 342 to 522 of the B. C. Select Committee's proceedings during the 1917 Session.)

SAMPLES OF SECRET MANIPULATIONS.

Later I found samples of such ulterior arrangements Capt. Tatlow had thus suggested in,—