

But when then Premier McBride asked me to prepare Memo "A" for his guidance in framing a "Railway Policy," he said that the inability of such Railways to pay interest during their early years of operation was so well known, that I need not record that obvious fact in my Memo, because they accepted the view that the projected Railways would save much otherwise required cost for public roads, and expedite development of the country.

But directly Messrs. McBride and Bowser disclosed to the Cabinet on October 21st, 1909, their deal with Mackenzie & Mann, making believe that Mackenzie & Mann would pay the interest on the Bonds "and that the Province would never be called upon to pay one cent," the Hon. Capt. Tatlow and Hon. F. J. Fulton knowing that there was a practical certainty that the Provincial Treasury would have to pay the interest accruing, emphatically protested against thus over-burdening British Columbia, and as their protests proved futile, they promptly resigned to emphasize their protest, and warn the voters before the 1909 General Election could be swung over the people to confirm the deal with Mackenzie and Mann.

The Hon. Capt. Tatlow came straight from the Executive Council to tell me in the "Cedar Room" (adjoining the Legislative Chamber) that he had resigned, because that heavy financial burden would inevitably fall on British Columbia taxpayers, and practically none of the safeguards suggested in my Memo "A" would be applied by Messrs. McBride and Bowser in the draft of the Bill which I understood Mr. Bowser had either read or outlined to the Ministers in that Executive Council.

WHY HONOURABLE MINISTERS RESIGNED.

Capt. Tatlow said he had felt impelled to resign, because it was his duty as Finance Minister to take that constitutional course, and tell me first of anyone outside, because I had so freely given that Memo to help Ministers to protect the public interest. He asked me pointedly, "Is that democratic government on the part of Messrs. McBride and Bowser to decide such vital policy and incur such heavy Provincial liabilities, without frankly consulting their colleagues' opinions in Executive before arriving at such momentous decisions—much more before making such a binding agreement with Mackenzie and Mann?"

I replied that it appeared very trying, but suggested that he (Capt. Tatlow) could probably exert more effective guidance by remaining in the Cabinet and trying to lead his fellow ministers to adopt a more prudent policy. He replied that such a course was practically useless, because it was "too late" as Messrs. McBride and Bowser had literally bound the Province by their agreement.

Next I suggested that at least it would be wise to sleep