

10TH JUNE, 1909

PRESENT:—

HIS EXCELLENCY THE GOVERNOR, SIR FREDERICK DEALTRY LUGARD, K.C.M.G., C.B., D.S.O.

HON. MR. F. H. MAY, C.M.G. (Colonial Secretary).

SIR HENRY BERKELEY, K.C. (Attorney-General).

HON. MR. A. M. THOMSON (Colonial Treasurer).

HON. MR. P. N. H. JONES (Director of Public Works).

HON. MR. A. W. BREWIN (Registrar-General).

HON. MR. F. J. BADELEY (Capt-Superintendent of Police).

HON. DR. HO KAI, M.B., C.M., C.M.G.

HON. MR. E. A. HEWETT.

HON. MR. E. OSBORNE.

HON. MR. W. J. GRESSON.

HON. MR. MURRAY STEWART.

HON. MR. WEI YUK, C.M.G.

MR. C. CLEMENTI (Clerk of Councils).

Minutes

The minutes of the last meeting were read, and confirmed.

Papers

THE COLONIAL SECRETARY, by command of His Excellency the Governor, laid on the table the Report of the Registrar of the Supreme Court for 1908.

Financial Minutes

THE COLONIAL SECRETARY, by command of His Excellency the Governor, laid on the table Financial Minutes (Nos. 21 to 25) and moved that they be referred to the Finance Committee.

THE COLONIAL TREASURER seconded, and the motion was agreed to.

Financial

THE COLONIAL SECRETARY, by command of His Excellency the Governor, laid on the table the report of the Finance Committee (No. 5) and moved its adoption. He said—In connection with this I beg to lay on the table the following certificate signed by me, "I certify that the Supplementary Appropriation Estimates for 1908 were read clause by clause in the presence of all members of the Finance Committee."

THE COLONIAL TREASURER seconded, and the motion was agreed to.

Kowloon-Canton Railway

THE COLONIAL SECRETARY moved the following resolution:—"It is hereby resolved that a sum of Three million two hundred and eighty thousand six hundred and sixty-three Dollars (\$3,280,663) be advanced out of funds in the custody of the Government for the purpose of construction of the Kowloon-Canton Railway (British Section) during the year 1909." He said—Details of this sum will appear, as hon. members are no doubt aware, in the appendix to the estimates for the current year.

THE COLONIAL TREASURER seconded.

HIS EXCELLENCY—Gentlemen, I said in my annual remarks on the progress of the railway, at our meeting before last, that a resolution of this kind would not be required this year as the amount for the construction of the railway was already included in the annual estimates, in accordance with the new financial instructions issued by the Secretary of State. I am advised however that the more correct procedure is to propose this resolution, though it will not be required next year. It is therefore included in the business of the day.

As the railway question is before the Council, I am glad of the opportunity it gives me of removing a misapprehension which has arisen in consequence of what I said on the previous occasion. In comparing the cost of the tunnel in 1907 with its

cost in 1908 the remarks I made to the Council were misleading because I myself was misled. I quoted a paragraph from the report of the Chief Resident Engineer in which he said:—"The cost of tunnel driving was very much reduced during 1908 due to better organization, made possible by colliers getting more trained to the work." This statement was followed by figures giving the cost per lineal foot under "heading-driving," "enlarging" and "bricking-in" for each of the years 1907 and 1908 and showing an aggregate saving of some 108 per cent. per lineal foot in the cost for 1908 over that of 1907. The report went on to state that the difficulties encountered in the tunnel in 1908 were greater than in 1907 and that the cost, due to these difficulties and to increased consumption of explosives and a longer "lead,"—was also greater, and accounted for the large increase over the estimates.

I failed to get a proper explanation of this apparent contradiction, but the Chief Engineer now explains it by a reference to his previous report (for 1907), which I had overlooked at the moment, in which it is explained that the so-called cost per lineal foot in 1907 included the expenditure upon the metre gauge construction lines laid down at both facings of the tunnel, the erection of machinery, the accumulation of timber and other materials at the site, and many other similar items. In order to make a reliable comparison of one year with another, these items should, of course, be distributed over the whole period of construction. As a matter of fact, the cost of the tunnel was considerably more per lineal foot in 1908 than it was in 1907 for the reason given.

It is due to the engineers, who were employed in the early days on the tunnel, that this fact should be thoroughly understood. They worked under very great difficulties with an inadequate staff, with insufficient plant, and with a great deal of sickness. When I was speaking of the financial aspect of the tunnel construction, nothing was further from my mind than to throw any blame upon them, or to undervalue their services. Perhaps few men have more reason than myself, from personal experience, to appreciate the difficulties and discouragements of early pioneer work. Those who come after, however generous, often find it impossible to appreciate the difficulties

which those who have laid the foundations have had to face (applause). If this impression, as I understand from what I have seen in the local press, had been conveyed by words which I used, I desire most emphatically to remove it.

I do not propose to review again the railway question, but I would like to emphasize one point which I have already emphasized every time I have spoken upon this subject, and that is that the so-called "Bruce's estimate" cannot be considered as an estimate of the cost of the construction of the railway. When Mr. Bruce made his preliminary survey, the question was under discussion as to whether the railway should follow a route along the eastern or the western side of the peninsula. It was issues of this kind upon which his advice was sought. His figures did not purport to be a considered estimate of the cost. There were no calculations of quantities and the length of the tunnel was (I am told) estimated upon the map with a pair of dividers. He purposely omitted a large number of items, such as telegraphs, workshops, roads, boundaries, ballast, salaries and all items under plant, including rolling stock. The realignment which has been made after a careful survey of the original line proposed by him, has resulted in a large saving over the cost which would have been involved by following Mr. Bruce's rough line.

The first reliable estimate that we had of the cost of the railway, under the authority of the Chief Engineer, was the one which was made in June 1907. It took nine months to prepare. It amounted to a little over eight million dollars. It did not include, as I have repeatedly pointed out, several items which were under discussion at the time it was presented. If these items be added and also the cost of land resumption in the neighbourhood of the deep-sea goods-wharf and the passenger station it will be found that the estimate presented in June 1907 has not been exceeded except as regards the tunnel. In my recent statement to the Council I criticised the variations under different heads between the estimates presented this year and those laid on the table last year, but I added that though these variations were unsatisfactory, the mere question of estimates did not reflect upon the skill of the British engineers.

The salient fact remains that however the sums were allocated under various heads, and whether intermediate estimates presented to the Council have been satisfactory or have been faulty, the original estimate for which the consulting engineers are responsible have only been exceeded, when all latter additions are included, in one item—that of the tunnel, the excess on which is about one million and a quarter dollars. I am, of course, speaking of the estimates which were laid on the table the other day. So far as these estimates are concerned the only excess, when all the items are included, on the original estimate of June 1907 is in respect of the tunnel.

HON. MR. STEWART—Your Excellency, I should just like to say I have listened to your remarks with considerable satisfaction. I hope that they will effectually destroy the idea that this Colony is being called upon to pay for the railway a price nearly twice as large as it ought. As Your Excellency has indicated, this erroneous impression arose from comparing the preliminary with the detailed estimate, as if they were different estimates for an identical work. It has already been pointed out by those who sought to combat this erroneous notion that the preliminary estimate was for a single line throughout, whereas the actual construction provides for development into a double line on all bridges, culverts and tunnels, except Beacon Hill. It has further been pointed out that the preliminary estimates did not provide for land reclamation and land resumption at the terminus. In connection with the cost of land reclamation and resumption it should not be forgotten that to include it in the railway estimates renders these misleading for purposes of comparison with other railways, in the matter of the average mileage cost of construction. A very misleading impression is created by simply taking the total of the revised estimate and dividing it by the number of miles between Kowloon and Samchun. The product is startling, but if to the original 22 miles were to be added the many miles of sidings which will be provided at the terminus, a much better result would appear. Even so, however, justice would not yet be done. If the whole cost of reclamation is to be debited to the railway, some thought should be taken of the value of the land reclaimed, some of which will be used for other than strictly railway purposes — for godowns, and other

requirements of the Port scheme. Hereafter that land should prove a valuable asset to the Colony. Considerations of this nature ought not to be overlooked, in viewing the matter broadly. I urge the desirability of viewing it broadly. Viewing it narrowly in the light of *post hoc* wisdom, while it may be easy for some people to point to mistakes made and faults committed, while it may perhaps not be difficult to see how minor economies could have been effected, there does not seem to be any good reason for rushing to the conclusion that the cost is excessive in view of the work done. That an impression based upon this conclusion is widely held I know. I do not share it. I regret it. It is an unfortunate impression to get abroad. Therefore, as correcting some of the minor errors which make up the total sum, I welcome Your Excellency's statement (applause).

Public Service Transfer of Duties Ordinance

THE ATTORNEY-GENERAL moved the first reading of a Bill entitled An Ordinance to transfer to certain Officers of the Public Service certain duties at present performed by other Officers.

THE COLONIAL SECRETARY seconded, and the Bill was read a first time.

Patents Amendment Ordinance

THE ATTORNEY-GENERAL moved the first reading of a Bill entitled An Ordinance to amend the Patents Ordinance 1892.

THE COLONIAL SECRETARY seconded, and the Bill was read a first time.

Prepared Opium Amendment Ordinance

THE ATTORNEY-GENERAL moved the first reading of a Bill entitled An Ordinance to amend The Prepared Opium Ordinance 1891.

THE COLONIAL TREASURER seconded, and the Bill was read a first time.

Supplementary Appropriation Ordinance

THE COLONIAL SECRETARY—In view of the certificate I laid on the table in connection with the Finance Committee it is unnecessary, unless any hon. member wishes it, to refer the Bill standing in my name to a Committee of the whole Council, therefore I beg to move the third reading of the Bill entitled An Ordinance to Authorize the Appropriation of a Supplementary Sum of Five hundred and twelve thousand two hundred Dollars and thirty-four cents to defray the charges of the year 1908.

THE COLONIAL TREASURER seconded, and the Bill was read a third time and passed.

The Tramway Bill

THE ATTORNEY-GENERAL — The next item standing in my name is really a private Bill introduced some years ago by an hon. member who is no longer a member of this Council. The question is whether any other member proposes to go on with the Bill.

HON. Mr. GRESSON—I beg to move that further consideration of this Bill be postponed until the interested parties have had further time to consider their position.

HIS EXCELLENCY — Council stands adjourned until this day week.

FINANCE COMMITTEE

A meeting of the Finance Committee was then held, the Colonial Secretary presiding. The following votes were passed:—

Public Works Recurrent

THE Governor recommended the Council to vote a sum of Three thousand seven hundred Dollars (\$3,700) in aid of the vote, Public Works Recurrent, Miscellaneous, Typhoon and Rainstorm Damages.

THE CHAIRMAN—The original estimate for typhoon and rainstorm damages in 1908 was \$79,000. The money spent in 1908 was \$61,000, leaving a balance of \$18,000. There was only \$12,000 voted on

this year's estimates; the balance therefore shows a slight reduction on the original estimates.

Military Expenditure

THE Governor recommended the Council to vote a sum of Five hundred Dollars (\$500) in aid of the vote, Military Expenditure, Volunteers, Other Charges, Grant to the Hongkong Volunteer Reserve Association for salary of Secretary during 1908.

Medical Department

THE Governor recommended the Council to vote a sum of Six hundred and fifty Dollars (\$650) in aid of the vote, Medical Departments, B—Hospitals and Asylums, Other Charges, for the following items:—

Civil Hospital, Incidental Expenses,	\$300
Victoria Hospital for Women and Children, Medicines and Surgical Appliances,	350

Total	\$650

Miscellaneous Services

THE Governor recommended the Council to vote a sum of Five hundred Dollars (\$500) in aid of the vote, Miscellaneous Services, Fee to Crown Solicitor for compilation of existing Regulations and Orders in Council.

THE CHAIRMAN — This work was undertaken by the Crown Solicitor, and the sum mentioned is the remuneration for his services.

Public Works Extraordinary

THE Governor recommended the Council to vote a sum of Nineteen thousand nine hundred and seventeen Dollars (\$19,917) in aid of the vote, Public Works Extraordinary, Water Works, Albany Filter Beds, Reconstruction and Extension.

THE CHAIRMAN—Of the excess on the estimate for this work, \$6,000 is due to providing against rainstorm damage which was brought home to the authorities by the severe typhoon and rainstorm of 1908. The remaining \$13,000 is caused by under-estimation of the work now approaching completion.