

17TH MAY, 1904.

PRESENT:—

HIS EXCELLENCY THE OFFICER ADMINISTERING THE GOVERNMENT, F. H. MAY, C.M.G.

Hon. A. M. THOMSON (Colonial Secretary).

Hon. Sir H. S. BERKELEY (Attorney-General).

Hon. L. A. M. JOHNSTON (Colonial Treasurer).

Hon. A. W. BREWIN (Registrar General).

Hon. Captain L. A. W. BARNES-LAWRENCE R.N. (Harbour Master).

Hon. P. N. H. JONES (Director of Public Works).

Hon. Sir C. P. CHATER, C.M.G.

Hon. Dr. Ho KAI, C.M.G.

Hon. H. E. POLLOCK, K.C.

Hon. WEI A YUK.

Hon. W. J. GRESSON.

Mr. S. B. C. ROSS (Clerk of Councils).

NEW MEMBER.

Mr. W. J. Gresson took the oath and assumed his seat as a member of Council in succession to Mr. C. W. Dickson.

FINANCIAL.

The COLONIAL SECRETARY laid on the table Financial Minutes (Nos. 27 to 29) and moved that they be referred to the Finance Committee.

The COLONIAL SECRETARY seconded, and the motion was agreed to.

The COLONIAL SECRETARY seconded, and the Report of the Finance Committee (No. 6) and moved its adoption.

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

PAPERS.

The COLONIAL SECRETARY laid on the table the reports for 1903 of the Harbour Master, the Government Bacteriologist, on the Post Office, and on the Po Leung Kuk.

QUESTIONS.

Hon. Mr. POLLOCK put the following question:—

1. Is the Government satisfied that the present means for extinguishing fires in the City of Victoria during the dry season are sufficient? If not, does the Government propose to take any and, if so, what steps, and when, to remedy the deficiency or deficiencies?

2. Has the Government considered the question of the advisability of adopting a special service for extinguishing fires by pumping up sea-water from the harbour by means of special pumping-stations on the Praya into special fire water mains? Does the Government propose to take any measures of that or a similar character? Is it not the fact that the Government Fire Engine hose has proved, during this present dry season, to be of insufficient strength to pump up sea-water to Jervois Street, or Lyndhurst Terrace, and has repeatedly burst in so doing?

3. Is the Government satisfied that the present means for extinguishing fires in the Kowloon Peninsula during the dry season are sufficient? If not, does the Government propose to take any and, if so, what steps, and when, to remedy the deficiency or deficiencies?

4. Is there only one Fire Engine in the Kowloon Peninsula in the service of the Colonial Government, and from what source or sources would such Fire Engine be supplied with water during the dry season in the event of a fire occurring during the dry season at too great a distance from the sea for salt water to be available for extinguishing purposes? How many members are there in the Kowloon Fire Brigade?

5. Will the Government provided more seats for the use of the public on the Kennedy Road,

Bowen Road, Magazine Gap Road, and Barker Road?

6. Will the Government state what would be—

(a.) The capital cost of erecting lamp-posts, with the necessary gas-burners and appliances and connections with the gas-main at the following places at the Peak, namely:—

(i.) On the slope up to Plunkett's Gap, near the approach to the Commodore's Bungalow;

(ii.) At the junction of Chamberlain Road with the Mount Kellet Road;

(iii.) At the Plantation Road Gap, near the entrance to Brockhurst?

(??.) The estimated annual expenditure for the gas required to keep such lamp-posts lighted at night?

ANSWERS.

The COLONIAL SECRETARY replied as follows: —1. Pending the construction of the rider main system under which there should always be water in the mains available for all fires even when water is cut off from houses, the means is considered reasonably sufficient. On the occurrence of fire during the intermittent supply water is always turned on in the mains and is available at adequate pressure on the average 15 minutes after the alarm of fire is given. There are also three steam fire engines for use in Victoria and vicinity, and during the intermittent water supply the Victoria side of the Harbour. The engines used by the Fire Brigade are quite efficient and have not in any way deteriorated through age. They deliver about 300 gallons of water a minute and will stand a pressure of 129 lbs to the square inch. Government does not at present propose to take any steps to increase its fire extinguishing apparatus. To do so would prove expensive and later on unnecessary.

2. This question has been considered by the Government. The scheme has not been adopted, as it has been ascertained that it would cost nearly as much as increasing the rain-water reservoirs. The hose is strong enough to pump water to much greater heights than those mentioned in the question. It is regularly tested and unsound lengths periodically replaced. The hose has burst on very few occasions only. Such accidents occur at times in all Fire Brigades.

3. The Government is not absolutely satisfied with the present means of extinguishing fires in Kowloon during the dry season. The completion of the new Kowloon water-works will however give water at pressure in the main available by fire hydrants as in Victoria. It is hoped that the new water-works will be in working order in about 18 months. Government does not for the reason stated in Answer 1 intend to take any immediate steps.

4. There is only one Government fire engine in the Kowloon Peninsula. It is stationed at Yaumati. The floating engine is kept at Tsim-sha-tsui except in times of an intermittent water supply, when it is kept on the Victoria

side. The sea is the only source of water supply for fire extinguishing purposes in Kowloon at present. In cases of fire in the neighbourhood of the sea, the floating and Yaumati engines would both pump from the sea direct to the fire. In cases of fires at a distance from the sea the floating engine would feed a portable dam from the sea and the land engine would pump from the dam to the fire. 1,800 feet of hose is kept at Yaumati with the engine, and the floating engine carries also over 1,800 feet, in addition to over 1,700 feet of large 4 in. hose. This is considered ample to reach any house in Kowloon, as it is estimated that no house in Old Kowloon is situated at more than 3,800 feet from the sea. There are eight members of the Brigade permanently stationed at Kowloon; 3 Europeans at Tsim-sha-tsui and 3 Europeans and 3 Chinese at Yaumati. Temporary reinforcements are sent from Victoria as required.

5. The Director of Public Works has been instructed to provide a reasonable number of additional seats as far as the funds available will permit.

6. The three lamps complete at the sites named would cost \$200.

The cost of lighting and maintenance would be \$240 per annum. The Government is considering the question of erecting lamps at the places indicated.

THE OPIUM BILL.

The ATTORNEY-GENERAL moved the second reading of the Bill entitled an Ordinance to amend the Prepared Opium Ordinance, 1891.

He said—Your Excellency,—The amendments to the Opium Ordinance are necessary to afford that protection to the Opium Farmer from illicit sales of opium to which he is rightfully entitled. The necessity for amending the Ordinance, sir, arises from the difficulty of putting a practicable construction upon the definition of the expressions "prepared opium" and "preparation of opium" that appear in the present Ordinance. The definition of "prepared opium" in the Ordinance as it stands is as follows:—"Prepared opium shall so far as relates to infringement of the opium farmer's privilege of preparing opium for the Colony mean opium which has been subjected to any degree of artificial heat for any purpose whatsoever"; and the definition of preparation is "subjecting of opium of any kind to any degree of artificial heat for any purpose whatsoever." Now, persons have been importing into this Colony opium and using it in the preparation of so-called anti-opium—whatever that may mean—pills and wine; and on appearing before the Magistrate the prosecution has failed, because though it was easy enough to prove that these wine and pills were each a preparation of opium, still in neither case could the learned Magistrate be satisfied that any degree of artificial heat had been used in the preparation

thereof. Still, of course, sir, it is obvious at once that was a technical objection which was fatal to the operation of the Ordinance which is intended for the protection of the opium farmer—it is obvious that it is quite impossible for any witness to say whether opium brought from Canton for preparation of pills and wine had been at any time subjected to any degree of artificial heat. Given the principle therefore of the proper protection of the farmer in the monopoly which this Government from the authority vested in it has granted to him, acceding that principle, it is obvious that it is the clear duty of the Government and of this Council to pass such a measure as will give the farmer that protection to which he is entitled. Well, sir, it is not necessary, but at the same time it is just as well for us to remember that the amount paid by the opium farmer for farming the monopoly, for the exclusive privilege—and we must remember it is an exclusive privilege that he has—of dealing in opium, is in itself extremely large and is greatly in excess of that which has been paid by any farmer in previous years; and though I have heard it put forward as a reason why nothing should be done in the present circumstances that these illicit sales have been going on for a long period in the past—though that may be perfectly true, still in view of the fact that the farmer to-day is paying more than three times what his predecessors paid, it may equally be true—in fact it seems to me it is obviously more true—that he as a prudent man of business can no longer be content to overlook that which did not matter so much to his predecessors who were paying so much less for the exclusive right they had. Now, sir, from enquiries that have been made since the necessity for these amendments was brought to the notice of this Government, it appears that this illicit competition has increased since the farmer has proposed to increase his prices somewhat. It will be seen at once that when a man gives three times as much as his predecessor was paying for the article he is entitled to sell, it is only to be supposed that some increase in the price to the public will follow. It is to be admitted that the farmer, exercising in that respect the right which he has, has somewhat increased his prices, but it must also be admitted that that increase has been trifling. I challenge that statement to be contradicted. The increase in the selling price of opium by the opium farmer has been trifling. Enquiries have shown that the price has increased by one-fifth only, and one-fifth is I say trifling. I put it to the house, can anybody consider that an undue increase in view of the fact that the opium farmer now pays \$2,000,000 per annum.

Hon. Dr. HO KAI—More than that.

The ATTORNEY-GENERAL—And more, the hon. and learned, member remarks. Therefore if it is more it makes

the increase all the more trifling. One-fifth more only, however, is charged for the opium and more than three times is paid to the revenue itself. Meantime the sales of the opium farmer have fallen enormously. The falling off too has not been due to any less consumption. It cannot in fairness at all be attributed to the small increase of one-fifth. What it is due to is the excessive illicit introduction, preparation, and sale in this Colony of opium, which, I say, unless it is checked, will render it impossible probably—at any rate extremely difficult—for the opium farmer to fulfil the conditions of the tender which he has entered into with this Colony. Now, I propose to deal shortly with one or two objections which I believe will be urged by my hon. and learned friend opposite [Mr. Pollock] to the progress of this measure. The first, as I understand it, is that it is a great hardship to prevent the sale of opium-pills and wine by persons who have hitherto been licenced or permitted by former opium farmers to sell them, and also, secondly, that to prevent the sale of these opium wine and pills would be to force the opium habit upon persons who are struggling to free themselves from it. Now, sir, neither of those assertions stand for a moment when examined. Take the first—the hardship upon those who have hitherto engaged either in selling opium wine and pills, by permission or by licence from the opium farmer or independently of him. Now we also have made enquiries into that assertion, because the last thing this Government desires is to inflict hardship upon anybody; and from the report made by the Registrar-General it appears that there are some 83 firms who deal in opium-pills and wine, and of these 83 only five of them deal in these articles exclusively. But the other 78 were general dealers who turned, I cannot call it an honest penny, by the additional sales of opium-pills and wine. But I say as to quantum, of these 83 there were only five who dealt exclusively in opium-pills and wine; so we must deal with these five and see what the hardship would be to them. But even suppose there were 83. The largest of these dealers did a business which he admitted to amount to—what do you think?—\$100 a month total sales, and not net but gross sales; and he admitted to the Registrar-General, and we have it in the report, that after deducting out-of-pocket expenses his profit—the largest profit—amounted to about \$35 a month. Now, where is the hardship? Even suppose the opium farmer had been allowing those persons or licensing them to sell these opium wine and pills, I say there is no hardship there. It is clear, therefore, I put it to you, that while a great loss is inflicted upon the opium farmer by the infringement of his privilege, the loss to the individual dealers is comparatively small.

HIS EXCELLENCY—I think you will recollect that the report of the Registrar-General stated

that this \$100 a month was taken by the largest retail dealer.

The ATTORNEY-GENERAL—I understood I did say a retail dealer. He has the largest retail business, and he admitted that his sales did not exceed \$100 a month. I only dealt with that argument because it put a wrong aspect on this matter. It is an *ad captandum* argument and has no force otherwise. The question is not whether it is a hardship or not to prevent a man who has been for a long course of time in illicit business from any longer engaging in it, but whether or not the opium farmer, when he comes to this Council to be protected from the illicit dealers, is entitled to that protection. From the moral point of view, the question of hardship ought not to enter for a single moment. It is, as it were, the case of a smuggler who for a long course of time had been in the habit of smuggling, and the authorities had either been careless or had looked the other way. The illicit opium seller has absolutely no claim to the consideration of this Council for one single moment. The man who is entitled to consideration and protection is the honest opium farmer who pays \$2,000,000 a year towards the revenue of this country to be acceded the privilege of exclusively dealing in opium. How can he be said to get the privilege if A. B. C. and D. are illicitly competing with him in the same business? But at the same time, though unnecessary for me to have to deal with the question of hardship, it is gratifying to know that in any particular proceeding one is not inflicting a hardship, and I put it to you that I have shown you that, even if hardship were any argument, which it is not, there is no question of hardship in dealing with this case to-day. Now, the opium farmer has considered this question, and whether he can continue to license a certain number of persons to sell opium provided they buy it from him, and the Council will see at once that is not a question which anybody but the opium farmer is entitled to settle. Surely the man is entitled to settle that himself, having paid for the exclusive right of dealing—to settle the question for himself whether he will license another to deal also. Well, he has considered that question, and I am informed that he cannot see his way to any longer permit either by licence or otherwise the sale of opium by any person but himself; and the principal reason why he has been forced to take that course is the impossibility of controlling the illicit dealers—either to make them keep a true record of their sales or to compel them to purchase their stocks from the opium farmer. It is one thing to say the opium farmer may continue to license those persons—five or six or 83—who have been hitherto selling, but how are we to reply to the opium farmer when he says, "Have you considered the great temptation that a rise in the price of opium holds out to persons who deal in this trade? What guarantee have I got that the man who is my licensee will keep proper returns of his sales, and what guarantee have I

got that he will not under cover of the licence which he holds from me import a little from me and a great deal from Canton independently of me?" Any practical man—and the house is full of practical men—will see at once that such an argument as that is unanswerable, and it would be in the highest degree wrong to force the opium farmer to take any such step to his obvious undoing or refuse to afford him protection against one who persists in dealing in opium without his knowledge or consent. Well, now, the second assertion is to the effect that the sale of opium-pills and wine is principally made to those who want to break themselves of the opium habit. I do not know whether such a suggestion will be made here to-day, but I have heard it suggested that it is to the interests of the opium farm that the habit should be indulged in rather than cured. Now, enquiries which have been made from the opium farmer show that this assertion and this objection are also groundless, because the opium farmer is prepared to supply pills and wine to anyone who desires to eat or to drink them, whether to cure himself from opium smoking or to indulge himself. The opium farmer is prepared to sell them. Therefore it will not lie in the mouth of any person who opposes this Bill to say that the pills and wine are no longer to be sold. They will be sold by the opium farmer, and he is prepared to open branches where all facilities will be given to those who desire to purchase these pills and wine; and he has stated that he is prepared to sell these opium pills and wine at a price which will be 25 per cent. less than the ordinary selling price of ordinary prepared opium. This offer on the part of the opium farmer I cannot but feel, will commend itself and himself to the Council at once, for the man is not bound to make these concessions. He is entitled to come here and say, "I stand upon my legal rights and demand but justice. You have put up a tender for the exclusive right of selling opium. I give you \$2,000,000 for the contract and I have a right to demand justice at your hands and protection from anyone who infringes it." When a man with these rights is prepared to make concessions we are bound to say he cannot be the altogether undesirable person that he possibly may be considered by some. What more does the *bona-fide* consumer require than to have a place at which he can buy his pills and wine at a reasonable price? Do you suppose it matters one cash to the consumer from whom he buys the opium so long as he can get it at a reasonable price; and if he can get it at a price 25 per cent. less than the price of prepared opium and at a branch establishment of the farmer, he has no longer any complaint so far as he is concerned. He gets all he

w a n t s , t h e

probable conclusion is, cheaper from the farmer than he could and does from the illicit seller. Now, I will not detain you very much longer, but I will just say that the assertion that the pills and wine are taken by a person to cure the opium habit has nothing in it, because it is impossible for anyone who advances such a suggestion to produce an authority of any value if any at all which will hold that the habit will be cured in that way. It is cured by what is called strength of will and not by sipping and nipping opium wine or taking reduced puffs of opium pipes or swallowing pills. For the purpose of catching the unwary, these wine and pills are called by the name of anti-opium. What does it mean? It has no meaning at all. They are not anti-opium pills and wine but opium; they are pills and wine which contain a certain amount of opium in them, and that they will effect a cure I say again it is impossible for anyone to bring any authority to assure us. Well, now, there has been another objection raised, and it was the one that had most weight with me; and that was that the effect of the proposed measure will be to prevent the Tung Wah Hospital from prescribing opium pills and wine for its patients. Well, sir, I have pointed out to you in this house that the opium farmer is prepared to make concessions which are reasonable. He is prepared to do more, because he is prepared, recognising as we all do the good work the Tung Wah Hospital does in this country, to recognise the right of the hospital authorities to prescribe pills and wine to its in-patients without restriction of any kind except this, which cannot be called a restriction, that the pills and wine are obtained from him. And also he is prepared to do more. He is prepared, to supply these opium-pills and wine free, and that, I think, is generous. So we have the opium farmer here both reasonable in his demands and generous in his intentions. But he cannot consent that the Tung Wah Hospital should supply all its out-patients in a similar manner. Surely, sir, that is not unreasonable, because the reason is obvious, that the opportunities which would be afforded of abusing that privilege are too great. I put it to you that that restriction, if it can be called such, upon his generosity is right and most reasonable in itself. Well, now, I do not want to hurt the feelings of anyone, of course, but I am bound to say that the result of my enquiries into this opposition to the Opium Amendment Bill have led me to the conclusion that it is factitious rather than real. I am told that the opposition is not really from the consumer. The real opposition comes from the illicit dealers who will be losing their profit. I say that it does not come from the consumer, for so long as he can get his pills and wine at a reasonable rate it matters not to him where he gets them. The opposition here is not real but factitious and unreal. Now, I put it to you and this house that illicit dealers have no claim whatever to any consideration from this house. They have no interests that they have obtained legally or morally

entitling them to protection as against the opium farmer to whom the law has given the exclusive privilege which they have infringed. I move, sir, that the Bill be read a second time.

The COLONIAL TREASURER seconded.

Hon. Dr. HO KAI—Sir, after having listened very carefully to the speech of the hon. and learned Attorney-General, I must say that a few of my objections to the second reading of this Bill have vanished. But one point only I still think he did not explain away, and it is that point which, so far as I am concerned, determines me to oppose the second reading of the Bill. It is quite true, sir, that we as members of this Council should do all we can to protect the public revenue, but at the same time I submit, sir, that we should do so only without injuring private interests—without undue hardship upon those whom a measure of this kind would injure. Now, the learned Attorney-General has quoted, from a private enquiry—which by the bye, might have been made a little bit more fair by having both sides represented on it, that there were 83 firms concerned in dealing with opium-pills and wine. Well, of course, personally I have nothing to do with them—with these dealers in opium-pills and wine; and I know nothing of them. I take his word for it. And he said only five of them were really wholesale dealers in opium wine and pills and that the remainder only have these pills and wine as additional articles to their ordinary stock-in-trade. Now, sir, it does not matter, it seems to me, whether a man deals in opium-pills and wine exclusively or whether he deals in them as part of his business. You might just as well say you can pass a law affecting the interests of a firm in cotton yarn and say you are not doing them any great amount of injury or inflicting hardship upon them because they are also dealing in flour, kerosene oil, and other articles, which they can still continue to trade in. The question is one of principle, and whether it affects 83 or 800 persons, or even one, the principle is the same; we are not justified in causing injury to a single firm in order that the revenue of this Colony may be increased, or that the opium farmer's interests may be put into a better state of protection. It is like robbing Paul to pay Peter; you are making a law to deprive certain persons of the right to deal in certain articles so that another person may get the benefit. Legislation of this kind we must, as unofficial members of this Council, and as guardians of the rights of the public, strenuously oppose. The sole question is whether this trade in opium wine is illicit or not. The learned Attorney-General in the reasons appended to the Ordinance, and also in his speech to-day, has stated that these dealings

in opium are illicit. Now, it seems to me that they are not illicit. The learned Attorney-General first of all assumes that the trade is illicit, and, of course, his argument that we should do away with this trade appears unanswerable. I say, first let us enquire whether the trade is really illicit or not. Now the existing Ordinance under which the opium farmer enjoys his rights does not give to him the exclusive right to deal in opium; but merely in "prepared opium." He wants you now to alter the whole aspect of the case. At present the farmer has no right to deal with an ounce of raw opium without the knowledge and consent of the Government. At one time he had, and it was owing to his dealing with raw opium in this Colony that a blockade of Hongkong by Chinese revenue cruisers existed, and it was for that reason that two Commissioners, Sir Robert Hart and Taotai Shiu, were sent down from Peking to treat with the Hongkong Government through Commissioner Russell, afterwards Chief Justice Sir James Russell. The result was that the Opium Convention was signed, and then an Ordinance was passed by the Hongkong Legislature for bidding the dealing in raw opium by anybody without the full knowledge and consent of the Government. The opium farmer's stock of opium was first of all limited to 5,000 chests or so, and afterwards reduced to, I think, 3,000 chests. I have not the figures but I think that is about right. Then, also, he is restricted by certain regulations as to the number of chests he shall draw out of bond in a certain time. These restrictions placed upon the dealings of the farmer in raw opium prevent him smuggling it into the interior of China, but in the new Bill, the opium farmer's power is supreme, and not an ounce or grain of prepared opium can be sold or dealt with in this Colony without his consent.

The ATTORNEY GENERAL: Nor can anyone prepare opium in the Colony without his consent.

Hon. Dr. HO KAI: No one can prepare opium in this Colony except the farmer, or other persons having his consent. Now let us consider the words "prepared opium." Every hon. member of this Council knows that with the law before him the opium farmer knew that law when he tendered for a monopoly. What he paid for it does not matter; that is not the question we are at present considering. The opium farmer having had his tender accepted, and having paid accordingly, found there were certain persons in this Colony selling opium wine and opium pills which we will assume for the moment interfered with his business. He summoned one of these persons before the Magistrate who enquired into the case and decided that he could not hold that opium which was contained in opium pills or wine, as the case might be, came within the Opium Ordinance,

The ATTORNEY GENERAL: Because he could not prove that it had been subjected to heat.

Hon. Dr. HO KAI: Well, it was not prepared opium, and the Magistrate could not say that it was. I can understand that heat is required to make prepared opium, but the words "prepared opium" in the ordinance mean opium prepared for smoking. When the farm was first created the attention of the Legislature was concentrated upon the creation of a monopoly in the sale of opium prepared for smoking, and opium cannot to be prepared for smoking without passing through some degree of artificial heat; it might be boiling heat or merely slight heat. When the farmer failed in his case at the Magistracy, it seems to me that if he was dissatisfied with the decision, he should have taken the case into the Supreme Court. If he is within his right in claiming what he does, he should get it; but why did he not go to the higher court and ask for the opinion of the judges on the point? He neglected or omitted to do so, and he is now appealing to us to pass an ordinance creating new rights for him.

The ATTORNEY GENERAL: No; merely to make the definition clear.

Hon. H. E. POLLOCK: New rights are provided.

Hon. Dr. HO KAI: I will give you an example. Supposing I have let premises on lease, and in that lease I make use of certain terms giving the lessee certain rights of way and such other rights. Presently, the tenant turns round on me and says: "You gave me a right of way and "such other rights"; that means right of air, and light, also of support or anything else." I say: "No; I simply gave you certain rights of way and no more. Such other rights means rights belonging to the same class as a right of way." The lessee says: "I will go to law about it." Suppose he loses his case. "Well," he says, "I cannot get a decision against you in the law court, so I will apply to the Government asking them for an Ordinance under which a right of way and such other rights shall be held to mean the rights I have mentioned." Is it just that the Legislature should assist persons of this kind to re-define the words of their contracts, making those words include certain things which were not contemplated by the use of the terms in the contract? It is on this particular principle that I found my opposition to the second reading of this Bill. The learned Attorney-General also mentioned that the opium farmer thinks it impossible for him to license these opium pill and wine dealers on account of the difficulty, I suppose, of preventing illicit dealing, as it would be if this Bill were passed. I am one of those who proposed a solution of the present difficulty by this means, and I regret that the opium farmer did not think it feasible

for him to adopt a system of licencing and so obviate such an ordinance as the one before us, which means the extinction of a very large trade altogether. He should have consented to charge certain fees for licences to sellers of opium pills and wine—which, by the way, I understand (from the Attorney-General) is only a very trifling trade, though it is at the same time represented as going to interfere tremendously with the profits of the opium farmer

The ATTORNEY-GENERAL: A very small trade by the individual; but very large in the aggregate.

Hon. Dr. HO KAI: You are affecting, then, a very large trade.

The ATTORNEY-GENERAL: It is infinitesimal individually.

Hon. Dr. HO KAI: But the aggregate is considerable. By charging a licencing fee it seems to me that the justice of the case would be met. Refusal to grant such licenses means the total abolition of the trade of these dealers; and the goodwill of their businesses, by one stroke of the pen, will be transferred to the opium farmer. There must be a goodwill in this as in every trade.

The ATTORNEY-GENERAL: But these men cannot have a goodwill. How can you employ that legal expression in connection with a person who sells illicitly. Under the ordinance I contend that the trade is illicit. If you look at Sections 9 and 10 of the present Opium Ordinance you will find that no person but the opium farmer can have prepared opium in his possession, nor prepare opium.

Hon. Dr. HO KAI: I contend that under that ordinance the sale of these things is not illicit. I contend that the word as applied to these dealers by the learned Attorney-General is a mistake, and my argument is that the Bill now before the Council will deprive them of their trade and goodwill. Of course, if the learned Attorney-General convinces me—I am certainly open to conviction—(hear, hear)—that dealing in these articles is illicit; if the opium farmer had taken a case to the higher court and the judges had held the trade to be illicit—no one would have been a stronger supporter of this Bill than I. I do not hold a brief for either party, and I wish to protect the revenue of the Colony. There is just one other point that has struck me. I believe that unless it is clearly established that the sale of opium pills and wine is illicit the Secretary of State at home would not view a Bill of this kind with favour. I consider it my duty and maintain it is the duty of all the unofficial members of the Council, to look after the rights of the public and even of an individual case in which rights are jeopardised—for after all, the public life is simply the aggregate individual life—and that we should consider well before passing an ordinance of this kind which will include new rights in the concession or monopoly to the opium farmer, and impose very great hardships to the extent of depriving many people of the right to continue

their trade in this Colony. I do not think I can usefully go on to discuss other points, because my only endeavour is to place before the Council my one objection to the Bill and if that one objection is removed I would be very glad to give the Bill my support.

Hon. Mr. POLLOCK next rose to speak.

His EXCELLENCY—I should be very much obliged if you will inform me what the position is exactly of these petitions. This Council has received two petitions; one purports to emanate from certain members of the general community and the other from the shops dealing in these pills. Both of these petitions have been forwarded to us through a somewhat unusual channel—the channel of the hon. member for the Chamber of Commerce. I shall be very glad to be informed whether the hon. member in the exercise of his profession has drawn these petitions, has been paid for drawing them, and is to be remunerated for advocating the prayer contained in these petitions before this Council?

Hon. Mr. POLLOCK—Your Excellency, in reply to the questions which have just been put to me, I did prepare these petitions professionally for the parties on behalf of the parties for whom they are prepared. There is no secret about it. And I forwarded the petitions to the Government. With regard to the other question which has been put, I think, your Excellency, that it was hardly necessary and hardly proper that such a question should be put. I need hardly say, I think, to those who have followed my public career in this Colony, that I do not accept pay and that I have no intention of accepting pay for appearing in this Council and for any views which I may express in this Council. I think it would be obviously improper for me as a member of this Council to accept any fee, reward, or gratuity what so ever in respect of any views which I may lay before this Council. As I have stated I was asked to prepare and did prepare in a professional capacity—and I think it will be found that I was perfectly right in so doing—these petitions which have been forwarded to this Council. These petitions were addressed to the hon. members of this Council. I do not know whether they were circulated. It rather seems to me they were not. At any rate I do not see them on the table. My position is perfectly clear, and I should have thought it was absolutely unnecessary that I should explain to this Council that I have not been paid any fee or reward, and that I do not intend to accept any fee or reward for coming here to-day and stating my views to the Council.

His EXCELLENCY—I thank you. My questions were simply made to find out the hon. member's position.

Hon. Mr. POLLOCK—Your Excellency, as I say, I do not know that these petitions have been circulated to hon. members.

His EXCELLENCY—They have been circulated.

Hon. Mr. POLLOCK—Then from the learned Attorney-General's speech I gathered that they had not reached him or been sufficiently considered by him; because we have been told with a great flourish of trumpets in this Colony by the learned Attorney-General of some wonderful discovery or alleged discovery supposed to have been made by the Government on its own initiative—namely that of the people who signed this petition some only were exclusively employed in the business of opium pills or wine. Why, sir, that question is dealt with specifically in Paragraph 1 of the petition. What is the wording? "Your petitioners have during the periods of years which are set opposite to their respective signatures been carrying on business in this Colony in (*inter alia*) either opium pills or opium wine or in both these articles." I should have thought, sir, that the words "*inter alia*" were sufficiently explicit, though in Latin and not in English, to convey that these gentlemen who brought in this petition in bringing it in were not and did not purport to be solely or exclusively employed or engaged in the sole business of opium pills or wine and nothing else. The position they have taken up from the very outset was that it was not their sole business, but, sir, although it is not their sole business it is a business; and as my hon. and learned friend the senior member for the Chinese has pointed out this is a question of principle upon which a stand must be taken. A party has a perfect right to be protected in a legitimate business, and I shall show that this is a legitimate business. With regard to the learned Attorney-General, there is another point he tried to make, I think, and that was that the trade in these pills or wine was after all a comparatively small matter. But the hon. senior member for the Chinese drove him from that position very effectively because he had afterwards to admit that you may call it small with regard to individual firms, but that in the aggregate it is large. Why should a trade or business which is in the aggregate large and which is, as I shall show, lawful, be interfered with by the Legislature of this Colony? I submit, sir, there can be only one answer, and that is, because the opium farmer pays a very large sum yearly to the Government of this Colony. That is to say, that the Government have some fear, some apprehension, that unless some measure of this sort is passed to give the opium farmer rights additional to those which he already possesses the revenue may suffer some loss, and because of that fear, that apprehension, they propose to override these people who have been dealing

in opium pills or wine, to take away their business from them, business which has hitherto been lawful and legitimate. Now, upon the point of this business hitherto carried on by dealers in these pills or wine being lawful and legitimate, it is only necessary to refer to the Ordinance (No. 21 of 1891). In order to see what the rights of the opium farmer are, we must look at the law. It is tedious rather, but it an important matter in this question. The hon. and learned senior member for the Chinese stated the matter in a very clear and lucid fashion, but lest perhaps some of his arguments may not have gone home I think it is very important that we should look at the Prepared Opium Ordinance and see from it what is the actual protection that has been accorded to the opium farmer. Of course in the grant which was made him he was given the privilege of dealing in prepared opium as defined by law. "Prepared opium" of course is an expression which may mean a great many different things. If a man came to a lawyer about a tender for prepared opium, the first question the lawyer would ask would be, "What do you mean by 'prepared opium'?" But here of course we know what is meant because we passed a special Ordinance to deal with it. It was passed 13 years ago, and therefore one would think that by the process of filtration in people's minds people would at all events have some idea of what was meant by "prepared opium." What does the Ordinance say about "prepared opium"? In Section 2 of the Ordinance prepared opium is defined and, sir, you will see it is not merely defined but is defined in such a way as to show clearly that it is designed for the express and specific purpose of showing what the privilege which is granted to the opium farmer to prepare opium shall, so far as relates to the infringement of the opium farmer's privilege, mean. Now, what does it mean? It means opium which has been subjected to any degree of artificial heat for any purpose whatever and includes dross opium whenever such a construction is consistent with the context. Well, sir, what could be clearer than that? There is not merely a definition of prepared opium there, but it is a definition of prepared opium which is expressly stated to relate to the infringement of the opium farmer's privilege. It is a provision of the law so that not merely the opium farmer but anybody else who deals in any way with any mixture of a chemical material in which opium occurs may know perfectly clearly what is meant by the words "prepared opium." And that, sir, was passed by the Legislature, that provision is enacted by the Legislature not merely for the purpose of informing the opium farmer but also for the purpose of informing other people. It is not merely necessary that the opium farmer should know the extent to which he is protected, but it is also necessary that other people should have it clearly defined what they may do

or may not do *vis a vis* the opium farmer. Therefore this express provision was passed defining what prepared opium is to be, and it is expressly limited, as your Excellency will see, to opium which has been subjected to any degree of artificial heat for any purpose whatever, and I think it extremely probable, as the learned senior member for the Chinese has suggested, that the reason why that definition was adopted was that the Legislature intended to legislate for and had in their mind the preparation for the purpose of smoking, and that is probably the reason why those words are inserted there. Then, sir, as if to make the matter doubly clear, as if to make sure that there could be no possibility of mistake, farther down in the same section of Ordinance 21 of 1891 there is a definition of preparation. "Preparation, the subjecting of opium of any kind to any degree of artificial heat for any purpose whatever, shall be taken to be the preparing of such opium." Therefore, sir, the test there in that definition of preparation, as in the test of prepared opium, is the test whether or not the opium has been subjected to any kind or degree of artificial heat. If it has not been subjected, if it does not fall within that, then no person in this Colony, no Magistrate, no Judge, no member of the Executive can possibly say that that opium has been prepared.

The ATTORNEY-GENERAL—Then the Ordinance is a dead letter.

Hon. Mr. POLLOCK—That definition of prepared opium is expressly made with reference to the opium farmer's privilege. Now, in this matter, as has been shown by the petition from the dealers in opium pills or wine, they have been dealing in these pills and wine in this Colony for a great number of years. I think, analysing that petition, it would be seen that 16 of these firms out of the 83 have been dealing in this Colony unmolested in opium pills or wine for 30 years or over; 24 out of the 83 have been dealing, in this Colony, in pills or wine, for 20 years or over; and 40 firms—roughly half—have been dealing in these pills or wine in this Colony for ten years or over. Some have been going on actually for 50 years, and one 60 years. Therefore, as will be seen, it is a long-established business, and yet these people who have been carrying on this business without let or hindrance for so many years are classed by the Law Officer of the Crown as smugglers. They are put in the same category as the people who are running a blockade, acting in breach of the law, and the expression is used constantly by him of "illicit sales," What does "illicit" mean? "Illicit" means unlawful or contrary to law; and it is not unlawful or contrary to law to sell opium in any way which does not infringe the opium farmer's privilege or this Ordinance which was passed to back him up unless the opium comes within the definition of a

preparation subjected to any degree of artificial heat for any purpose whatever. And preparation, I may mention to make my meaning absolutely clear, in the definition is expressly stated to be the "preparing of opium." "Preparation is the subjecting of opium of any kind to any degree of artificial heat and for that purpose shall be taken to be the preparing of such opium." Therefore it is quite clear what prepared opium means. It is quite clear what preparation means and what preparing means. The opium farmer stands or falls by this Ordinance. What has happened? Certain prosecutions—I do not know whether one or more—but at any rate a prosecution was instituted at the instance of the opium farmer at the Magistracy. The Magistrate decided that he could not possibly say it was prepared opium and dismissed the case. That so far as this Council is concerned disposes of the matter until it is brought before some higher tribunal for an absolute finding on the question of law. The opium farmer of course has his own legal advisers, and it is a matter which I think is well known that he has behind him some very clever and learned legal advisers, gentlemen who are perfectly able to protect his interests, and if they had considered that the decision of the Magistrate was wrong or in the smallest degree open to question of course they would have advised him to take the matter at once up to the Supreme Court. Therefore to call these men smugglers was an entire misnomer. They were not smugglers at all. They were carrying on a business which so far as the decision of the Court was concerned had been decided to be legal. It has been decided at the Magistracy and the decision of the Magistrate must be accepted by this Council; and I say without the slightest hesitation that the decision of the Magistrate must be taken to be right. There has been no attempt to take the matter up before the higher tribunal; there had been no attempt to institute proceedings in any case but one, and the very able legal advisers at the back of the opium farmer felt that they could not do anything,—that the case was hopeless. That was the only possible explanation of their not having taken the matter up to the Supreme Court.

The ATTORNEY-GENERAL—Probably the Supreme Court would have said the Magistrate was right.

Hon. Mr. POLLOCK—To speak of these men as smugglers is preposterous when the Magistrate has decided that their business is legal.

The ATTORNEY-GENERAL—He did not decide that. He decided that in a certain case brought before him he could not say that the opium which had been sold had been subjected to any degree of heat. Now we propose to put in a clear definition in order to protect the opium farmer.

Hon. Mr. POLLOCK—If these people were liable to be proceeded against at law they would have been proceeded against; the matter would have been carried up to the higher Court. It was found that they could not be proceeded against and therefore it was entirely a misnomer to speak of them as illicit dealers or sellers. This trade has been carried on in this Colony not merely for ten but 50 and 60 years past. It is just as lawful and legitimate a business as selling sugar. Now, what is the position of the opium farmer? It is suggested or rather implied that he is being subjected to some hardship. I say to that emphatically, No. He has got exactly what he contracted for, what he tendered to get. Everybody is presumed to know the law, and it is unthinkable that in this particular case before the farmer tendered for this privilege he did not know that prepared opium is defined by law; indeed the case is made stronger because the present farmer was also the previous farmer. He was not new to the business: he went into it with his eyes open. He has tendered for this privilege of prepared opium as defined by law, and has got it. It might be an unfortunate thing for the farmer, as the Attorney-General hinted in his speech, that this trade in pills was on the increase. This only showed there was a demand for them in this Colony, and as Dr. Ho Kai had pointed out it would be very unfair to interfere with these people who were carrying on this increasing business, the good will of which would also be increasing. The hon. Attorney-General had stated that the opposition was factitious because it came from parties who were directly overridden and borne down by this proposed measure—the dealers. That was a most extraordinary argument to use. Supposing a law were passed to-morrow that no particular firms or persons but one should deal in stationery, would it be called factitious because the other businesses dealing in stationery said this must be stopped; it is unfair as a portion of our business is being taken away. Surely such an opposition could not be described as factitious? Surely the people dealing in this legitimate business proposed to be interfered with by this Bill have a better right than anybody else to say "this legislation is unjust and unfair; it is doing away with a portion of our business; it is making our business which was previously carried on as legal and legitimate, unfair and unlawful; it is putting us entirely in the hands of the opium farmer; it is wiping out our business." Surely it is improper to describe the opposition of such people as factitious? When the hon. Attorney-General referred to the opposition of the dealers he seems to have forgotten that there was in addition a petition from the general Chinese community of this Colony which was very numerous signed—there being 488 signatures of individual persons and 2178 of firms carrying on business here, against this proposed measure; and in that petition, although I can well understand there may have been divergent opinions among doctors on the point, these petitioners mention that in their belief the taking of opium pills or wine does help to break the opium habit. Of course, some doctors may think one way and some the other, but these petitioners set their signatures to it. Your Excellency may possibly have

omitted to note that in Paragraph 4 of the petition these dealers "submit, and can call witnesses in support of the submission, that the trade which they are carrying on in opium pills or opium wine is actually beneficial to the Chinese inhabitants of this Colony, on the ground that such pills and wine afford a means of rescue from the degrading vice of opium-smoking, such pills and wine containing many other ingredients in addition to opium or dross." These people say that they can call evidence on the point, and in the last paragraph of the petition they suggest that if the Government is not satisfied with what is stated here a commission should be appointed. Now, sir, what have the Government done? There has been a kind of secret investigation by the Registrar-General.

His EXCELLENCY—I do not think you are entitled to call it secret.

Hon. Mr. POLLOCK—It is entirely secret from this Council; that is what I mean.

The ATTORNEY-GENERAL—Official.

Hon. Mr. POLLOCK—It is a purely unofficial enquiry so far as this Council is concerned.

The ATTORNEY-GENERAL—It is conducted by a high officer of the Government and must be official.

Hon. Mr. POLLOCK—I do not agree with the Attorney-General. It is carried out by an official but is not official. At any rate it is not a public enquiry, or by a commission, or some other public body such as parties have a right to expect at the hands of this Government. These parties are prepared to call witnesses to show that in some cases at all events the taking of opium pills has had beneficial effects in weaning people from the habit. I quite agree with the hon. Attorney-General—it is one of the few points on which I can agree with him—that it is a pity that people cannot rescue themselves from this habit by mere strength of will. We must all feel that, but we must also feel that some people are so constituted that these particular means are needed to wean them, no doubt gradually, from the habit of opium smoking; and I submit, sir, there being this strong body of Chinese opinion against this measure, that at all events the least the Government could do would be to hold a public commission of enquiry. I think it will be found that in England, in recent times at any rate, no such a measure as this has been passed affecting several firms without full public enquiry of some sort having been held into it. As I say, there seems

to have been some sort of enquiry by the Registrar-General, but I do not think so far as the Council is concerned that we know anything about the particulars, excepting your Excellency, the Attorney-General, and the Registrar-General. We as a body do not know to what extent the Registrar-General has probed into this matter, what enquiries he has made, or what answers he has got. We are only told a partial result of his negotiations by the Attorney-General. This is not a satisfactory way of dealing with the matter, and it is not a way which would commend itself to those who are most anxious as everybody should be not to interfere with people's business except after the fullest enquiry. Of course every member of this Council must feel that it is a big sum which the opium farmer has to pay for the monopoly in this Colony, but I agree with Dr. Ho Kai that that is a matter which ought to be—i am afraid it is not so treated—irrelevant to the present discussion. The question is whether this Council by passing this measure will be doing an act of justice or injustice, and I submit that upon a private enquiry by a Government official the Government is not justified in putting through this measure without a commission being appointed, and then we shall see and possibly be convinced that such a measure as this is desirable. But we cannot be convinced now. Here is a business to-day; you propose to make it illegal to-morrow, and as a foundation for that measure you have simply to go upon the report of an officer of the Government who, I have no doubt, has gone into the matter to the best of his lights; but still we do not know what has been the scope of his investigations, and it been conducted apparently from the point of view of the Government with the idea of supplying the Government with some answers to these petitions which have been sent in. I think the Registrar-General could hardly have approached the subject with an unbiassed mind. What is a decidedly unbiassed commission should be appointed, and the whole question gone into. I need hardly point out that it is a general principle of law which is generally followed out by courts of law that so far as possible—so chary are our courts of depriving anybody of rights without compensation—an Ordinance or a Statute should be construed in such a way as not to take away a man's rights without his receiving compensation. The courts always lean towards such construing of an Ordinance. They recognise that it is *prima facie* unjust to take away a man's business arbitrarily without compensation, and yet the Government proposes to take away these people's rights without giving them any compensation whatsoever. That, as Dr. Ho Kai pointed out, is a very important principle; the taking away of people's rights is very unjust and unfair, and a point upon which hon. members of Council should take a firm stand. It is radically unjust to take away people's rights in this way, and members of Council should not be parties to it. It is most unsatisfactory that all we should have to go upon in coming to a decision on this matter is merely the report of a

Government officer which is not before us at all. The Attorney-General stated that the opium farmer could come here to-day and say, "I stand upon my legal rights and demand nothing but justice." Language like that sounds very beautiful from the opium farmer to us, but he does not stand upon his legal rights; the drawback is that that is not correct. What he says is, "I find I have not sufficient rights; I want to be protected and I want sufficient legislation to support me." He does not stand upon his present legal rights at all. He wants the Government to alter the Ordinance, to extend his rights and privileges by law, and as showing that the farmer feels the weakness of his position, and that his legal advisers know it also, one has only to consider those sops which were referred to by the Attorney-General. The farmer in return for the business of the dealers in opium wine and pills which the Attorney-General admits to be large in the aggregate—for getting all this into his pocket he is prepared to do what I would do in his place—to dole out certain concessions. He does not stand upon his rights, but wants his rights altered, and as the return for extending his rights at the expense of other people he doles out some concessions. That, sir, is his position. I do not know that there is any other point I should refer to, but it shows the disadvantage an unofficial is under when he comes here, for he finds the Government has prejudged the whole question.

HIS EXCELLENCY—I object to that remark of the hon. member that the Government come here with the whole case prejudged.

Hon. Mr. POLLOCK—I will explain. This Bill has been postponed for two months or nearly two months.

HIS EXCELLENCY—To meet the convenience of the hon. member.

Hon. Mr. POLLOCK—Not, I think, on every occasion. And now it has been brought on again. It means that the Executive of this Colony has decided that it is a good thing to pass this measure; and it is a well-known fact that the official members of this Council are not at liberty to express their individual or private opinions. Therefore unofficial members come here very often practically with their case prejudged.

THE COLONIAL SECRETARY—That is irrelevant.

Hon. Mr. POLLOCK—The Colonial Secretary may call it irrelevant, but it is a somewhat disheartening position for a member to occupy in this Council. The hon. member may think

it irrelevant, but I think the correctness of it cannot possibly be denied. But if the matter has not been prejudged it seems to me that if your Excellency desires unbiassed opinion from the members of this Council, by leaving the official members absolutely free to vote as they like that will be a very fair solution of that difficulty. Again I say it is very unsatisfactory that the case should be before us without a commission having gone into it and the whole matter being threshed out. I oppose the second reading.

HON. GERSHOM STEWART—Your Excellency, I had no intention of addressing the Council on such a technical matter as opium until Mr. Pollock made his concluding remarks in which he left it to be inferred that the unofficial members were entirely with him in opposing this Bill. I have had one or two conversations about it and I must say I support the Government, and think their contention is quite a fair one in protecting the opium farmer in his monopoly. Opium is a subject of a very technical nature and one is naturally averse to giving an opinion about the inner workings of it. At the same time I think there are certain principles on which I fail to agree with Dr. Ho Kai and Mr. Pollock. It has been up to the present moment entirely a lawyer's battle. Into that battle I only enter with diffidence. At the same time it seems to me there are other aspects beside the strictly legal ones. I do not agree with Dr. Ho Kai and Mr. Pollock that the words of the Prepared Opium Ordinance settle the question altogether. The Ordinance lays down that prepared opium is that which has been subjected to artificial heat. You go a little further. What is artificial heat? It seems to me it is a reasonable contention to say that you cannot make opium into a pill without subjecting it to some heat, and it seems to me that it is heat other than that generated by the opium itself that must be used; I do not think these pills can come into being in the natural way. The legal aspect of it I will leave the lawyers to fight out. There is one point that seems odd, and that is to find that there are 83 places which deal in opium. I thought there was only one. In that case we may have a thousand apparently. It is an unfair thing for these petitions to come here and say that these people who buy the pills are those who seek relief from the opium habit. Dr. Ho Kai has informed us that the opium farmer cannot deal in raw opium. Is it then bought at auctions here, or is it brought into Hongkong? The Attorney-General's terms may appear harsh, but still this opium must be brought in clandestinely.

THE ATTORNEY-GENERAL.—It is brought in illicitly, secretly.

HIS EXCELLENCY—If it is raw opium no one can have it in his possession in quantities of less than one chest.

HON. MR. STEWART—The opium does not grow here so it must be brought in, and if so that privilege of the farmer is being infringed. With regard to these small shops where the opium traffic is carried on, I think if they were allowed to multiply they would do the Colony a great deal of harm. The biggest mistake the Government could commit would be not to keep as much control as possible over that objectionable habit. The opium farmer in this case was, I think, acting quite within his rights in seeking protection from these small dealers. I understand the Government took steps to counteract the morphine habit. This Bill today is merely an application of the same principle. On moral grounds and on the general principle of fairness I think we should protect the opium farmer.

THE ATTORNEY-GENERAL—Your Excellency, I have nothing to withdraw of what I said. What I have said is that owing to the illicit introduction of opium into this Colony, and the preparation thereof in the Colony, and owing to the difficulty of prevention from the faulty language in the definition, the opium farmer requires that protection which an Ordinance alone can give him; that is the short and long of it. I have not come here with the question prejudged, nor has the Government prejudged it. What the hon. member meant was that the Government had well considered the matter. We were forced to take this action because it was brought to the notice of this Government that in the matter of the introduction of opium into Hongkong the spirit of the Ordinance could be infringed if not the letter. The intention was to give the opium farmer in return for a large sum of money paid into the revenue an exclusive monopoly. Once you admit the principle of a monopoly you are bound to admit the principle of the absolute and full protection of it. I will not take up the time of the Council any more because I have fully explained the position of the Government. This is no new law. The Hon. Member of the Chamber of Commerce (Mr. Pollock) has taken the narrow view of this question. Possibly he has an unconscious bias after he has been considering it professionally on behalf of those who object to this matter, and it may be that it will not be safe for us to follow blindly where we should otherwise be prepared to go, if we were sure that the Hon. Member was absolutely unbiassed in the matter. I can only say he has charged us with coming here with the case prejudged, but as he had been carefully considering and offering advice to those who opposed this measure, in the opinion of this Council his opposition to the Bill does not come with that weight which would otherwise attach to it. With regard to the prosecution at the Magistracy, which was brought by the opium farmer, the case failed because you cannot get a man to come forward and swear that he saw heat applied to it, and there-

fore the Magistrate dismissed the case with costs. We now ask you to alter the definition so that the opium farmer may be protected from these illicit dealers. It was asked by the hon. member why the case was not taken to the Supreme Court. I do not know what the decision there might have been. What we ask this Council to do is to give effect to that protection of the opium farmer which it intended. Your Excellency I submit that nothing that has fallen from either the hon. member for the Chamber of Commerce or from Hon. Dr. Ho Kai—the first part of whose speech was extremely interesting historically—has any relevance to the subject, and I move that the Bill be read a second time.

HIS EXCELLENCY—Gentlemen, the Government has been accused of bringing in this Bill to interfere with vested interests and thereby doing an injustice to certain traders in this Colony. In the first place I claim for the Government an absolute right of dealing with a drug like opium in any way, as it is the undoubted right of the Government to deal with the sale of alcoholic liquor in any way it pleases, or things like arms. Can it be denied that owing to the heavy increase in the arms licence the business of every Chinese arms dealer in this Colony has been absolutely closed, and can it be denied that the Government did that with their eyes open, of *malice prepense* if you so wish to call it raised the licence so high that we caused these arms dealers to close? Can anyone say that these men had a right to be compensated for the businesses that they lost? Can it be denied that various dealers in spirituous liquors have of late owing to the large increase in the price of licences closed their businesses? Or will anyone contend that they should be compensated because they can no longer afford to take out a licence. How did the opium farm ever come into existence? Did hon. members know that in days gone by the preparation of and dealing in opium was licensed out to licencees, and this Government for its own objects, wanting to control the traffic in opium, swept away all these licencees and put the licence in the hands of one man. Did anyone claim at the time that these licencees whose businesses had been swept away should be compensated? But while claiming the right to place this monopoly in the hands of one man to the exclusion of all others, I say that careful investigation shows that these petitioners, those of them who have been dealing in these pills, have got no real claim for consideration. They took out licenses for three years, from 1895 till 1898, to deal in these pills. They admitted so when they were licensed they were trafficking in opium. Subsequently, owing to the smallness of their businesses, the opium farmer considered it not necessary to license them. Now the price for smoking opium has been enormously raised owing to the large increase in the fees, and the Government find that while the business of these dealers has increased, at the same time the sale of the

opium farmer's opium has decreased. If we believed that the trade of these dealers in pills and wine has increased because people wish to avoid the opium habit there might be something in their cry. But this is what we find written in one of the leading Chinese newspapers in an article against this very Bill. This shows, I think, what the real business of these opium pill dealers has been of late. "Swallowing anti-opium pills is more handy than smoking opium with lamp and pipe. Opium smokers who happen to be travelling or in mourning or watched by their parents or relatives prefer to use anti-opium pills as a substitute for opium. Prices for prepared opium will undoubtedly be raised on account of the fee for the opium monopoly being considerably increased. Coolies of the poorer class who cannot afford to smoke opium will be compelled to use anti-pills instead. If they cannot obtain anti-opium pills they will leave the Colony and the result will be a lack of coolie labour in the Colony." That is the way the man in the street looks at this Bill, a very different light indeed from that in which the objections to it have been presented to us. I find on investigation that the sale of opium pills in the Colony is about 9,000 bottles a year. Large bottles are sold at 25 cents and small ones at 11 cents. If we strike an average we will see that the sales amount to between \$2000 and \$3000 per annum, and this is the enormous and valuable trade that we are accused of interfering with. Gentlemen the only point to my mind that has been made to-day was perhaps that of the wholesale dealers of these pills who deal in them for the purpose of export. There are such dealers, and no doubt their trade is very much larger than that of the retail dealers who are simply trying to cut into the monopoly of the opium farmer. I do not know whether the Government would be able to arrange anything with the farmer in the matter of licensing these wholesale dealers and placing those valuable goods which come from Canton in bond while in the Colony and allowing them to export them out of bond; but on behalf of the Government I undertake to try and arrange something of the sort so that no suspicion of injustice may rest upon our heads. (Applause).

On a division there voted for the second reading—the Colonial Secretary, the Attorney-General, the Registrar-General, the Colonial Treasurer, the Director of Public Works, the Harbour Master, Sir C. P. Chater, Hon. Ger-

shom Stewart and Hon. W. J. Gresson (9); and against—
Hon. Dr. Ho Kai, Hon. Wei Yuk, and Hon. H. E. Pollock.

The second reading was accordingly carried.

FINANCE COMMITTEE.

A meeting of the Finance Committee was held after the Council, the Colonial Secretary (Hon. A. M. Thompson) presiding.

The following votes were passed:—

COTTON-GROWING IN THE NEW TERRITORY.

The Officer Administering the Government recommended the Council to vote a sum of \$200 in aid of the vote Botanical and Afforestation Department, under Other Charges, for preliminary experiments in cotton-growing in the New Territories.

The Hon. Mr. POLLOCK stated that he approved of the vote, but considered the sum of \$200 to be insufficient.

READJUSTMENT OF LOTS.

The Officer Administering the Government recommended the Council to vote a sum of \$34,700 in aid of the vote Public Works Extraordinary, for readjustment of Kowloon Marine Lots 44-46 and Kowloon Inland Lots 887-897, Taikoksui.

The DIRECTOR of PUBLIC WORKS stated, in reply to Mr. Pollock, that he considered that Government would get a good return on this expenditure.

TREE-PLANTING.

The Officer Administering the Government recommended the Council to vote a sum of \$1,500 in aid of the vote Botanical and Afforestation Department, Other Charges, for tree-planting.

This was all the business.