

HONGKONG.

REPORT ON THE BLUE BOOK FOR 1914.

I.—FINANCES.

The revenue for the year amounted to \$11,007,273, being \$1,254,313 more than the estimate and \$2,494,964 more than the revenue for the previous year.

Compared with the returns for 1913 there were increases under every head with the exception of Light Dues, Post Office, Miscellaneous Receipts, and Land Sales. "Interest" remained at nil.

The expenditure amounted to a total of \$10,756,225, inclusive of a sum of \$1,639,595 spent on Public Works Extraordinary.

The detailed figures for 1914 are set out in the following statements:—

HEADS OF REVENUE.

	\$
Light Dues - - - - -	90,397.87
Light Dues, Special Assessment - - -	103,667.97
Licences and Internal Revenue not otherwise specified - - - - -	7,979,439.51
Fees of Court or Office, Payments for specific purposes, and Reimbursements in Aid -	727,777.59
Post Office - - - - -	398,426.38
Kowloon-Canton Railway - - - - -	381,313.28
Rent of Government Property, Land and Houses - - - - -	936,648.02
Interest - - - - -	
Miscellaneous Receipts - - - - -	124,416.04
TOTAL, (Ordinary),- - - - -	10,742,086.66
Land Sales, (Premia on New Leases) - - -	265,186.43
TOTAL, - - - - -	\$11,007,273.09

EXPENDITURE.						\$
Governor	-	-	-	-	-	85,986.29
Colonial Secretary's Department and Legislature						70,894.40
Secretariat for Chinese Affairs	-	-	-			51,178.04
Audit Department	-	-	-	-	-	32,697.22
Treasury	-	-	-	-	-	66,943.60
Harbour Master's Department	-	-	-			176,287.98
Imports & Exports Department	-	-	-			991,096.46
Royal Observatory	-	-	-	-	-	25,398.31
Miscellaneous Services-	-	-	-	-	-	945,131.62
Judicial and Legal Departments	-	-	-			259,181.94
Police and Prison Departments	-	-	-			933,156.52
Medical Departments	-	-	-	-	-	230,896.86
Sanitary Department	-	-	-	-	-	353,521.53
Botanical and Forestry Department				-	-	49,076.14
Education	-	-	-	-	-	292,820.83
Military Expenditure	-	-	-	-	-	1,886,346.31
Public Works Department	-	-	-	-	-	414,510.57
Do. Recurrent	-	-	-	-	-	567,100.18
Do. Extraordinary	-	-	-	-	-	1,639,594.72
Post Office	-	-	-	-	-	371,646.06
Kowloon-Canton Railway	-	-	-	-	-	274,366.39
Charge on account of Public Debt	-	-				705,808.50
Pensions	-	-	-	-	-	305,030.61
Charitable Services	-	-	-	-	-	27,553.74
TOTAL,						<u>\$10,756,224.82</u>

The surplus on the year's working was \$251,048, and the balance of assets and liabilities showed on the 31st December a sum of \$2,910,474 in the Colony's favour.

The following is a statement of the revenue and expenditure of the Colony for the five years 1910-1914 :—

				Revenue.	Expenditure.
				\$	\$
1910	-	-	-	6,960,861	6,907,113
1911	-	-	-	7,497,231	7,077,177
1912	-	-	-	8,180,694	7,202,553
1913	-	-	-	8,512,308	8,658,012
1914	-	-	-	11,007,273	10,756,225

The capital expenditure on the British Section of the Kowloon-Canton Railway during 1914 was \$574,429, chiefly in connection with the erection of a terminal station and purchase of rails, locomotives and rolling stock. The total expenditure on this account amounted at the end of the year to a sum of \$14,095,661.

The amount of the consolidated loan stands at £1,485,732, and in addition the advances by and drafts on the Crown Agents for Railway Construction amounted at the end of the year to £109,404. Against these items there is at credit of the Sinking Fund a sum of £183,294 and there is a balance of £128,479 unpaid in respect of the loan to the late Viceroy of Wuchang.

No new taxation was imposed during the year. The farm system in connection with Opium revenue was abolished from 1st March and direct Government control substituted therefor.

For the year commencing 1st July, 1914, a new valuation was made of the whole Colony, with the exception of some of the outlying small Chinese villages.

Increases.

The City of Victoria, \$1,708,833 or 16.69%.

The Hill District, \$23,700 or 7.93%.

Shauikiwan, Saiwanho, and Quarry Bay, \$6,992 or 1.88%.

Hongkong Villages, \$31,501 or 23.61%.

Yaumati, \$63,275 or 24.11%.

Mongkoktsui, \$39,985 or 25.51%.

Hung Hom and Hok Un, \$3,676 or 1.24%.

Kowloon Point, \$76,550 or 15.02%.

New Kowloon, \$13,934 or 15.80%.

Kowloon Villages, \$5,845 or 6.92%.

The rateable value of the whole Colony amounted to \$14,410,103, being an increase of \$1,974,291 or equal to 15.87% over the value of the previous year.

For the period 1905-1914 the assessment of the whole Colony has risen from \$10,511,163 to \$14,410,103, an increase in value of 37.09%.

The circulation on the 31st December of notes of the three Banks having authorised issues was as follows:—

Hongkong & Shanghai Bank	-	-	-	\$23,482,903
Chartered Bank of India, Australia, & China	-	-	-	6,071,633
Mercantile Bank of India	-	-	-	1,308,191
				\$30,862,727

The currency of the Colony consists, in addition to the notes of these Banks, of British, Hongkong, and Mexican Dollars and of subsidiary coin.

Foreign note circulation has wholly ceased.

The rate of discount on Hongkong subsidiary coin, as compared with notes, varied during 1914 between the following limits :—

50 cent-pieces	$1\frac{1}{4}$	per cent.	to	$13\frac{3}{4}$	per cent.
20 "	2	"	"	$19\frac{1}{4}$	"
10 "	$2\frac{1}{2}$	"	"	$19\frac{5}{8}$	"
5 "	2	"	"	$14\frac{1}{2}$	"
Copper coin	par.			11	"

Compared however with the Mexican Dollar which is the standard of the Colony the variations were as follows :—

50 cent-pieces	$1\frac{1}{4}$	per cent.	to	$3\frac{1}{4}$	per cent.
20 "	2	"	"	$8\frac{3}{4}$	"
10 "	$2\frac{1}{2}$	"	"	$9\frac{1}{8}$	"
5 "	2	"	"	4	"
Copper coin	par.				

It will be seen therefore that Bank notes were at a premium varying from par (in January) to $10\frac{1}{2}$ per cent. (in December).

The total issue of these coins, less those demonetized, now amounts to \$31,392,720 nominal value, and they were up to the year 1905 readily absorbed at par, large quantities being taken by the neighbouring provinces of China. During 1914 ten cent pieces of the face value of \$5,000,000 were shipped to England for purposes of demonetization. The discount which has prevailed since 1905 may be attributed to the immense quantity of similar coin which has latterly been minted at Canton as well as to the amount of Hongkong coin minted largely in excess of the needs of the Colony by itself. In 1905 the Hongkong Government ceased to issue any subsidiary coin and in 1906 it began a policy of demonetising all its subsidiary coin received as revenue. This policy has been continuously followed since except during a brief period in 1911. Coin to the face value of \$12,607,459 has thus been redeemed. The total issue by the Hongkong Government was of the face value of about \$44,000,000. It is thought that half of that amount has dropped out of circulation.

Ordinance No. 15 of 1913, which was passed to prohibit the circulation of foreign silver coin, came into force on 1st March.