

5. The Births and Deaths Registration Ordinance (No. 21) consolidated and to some extent amended the law on this subject.

6. The Ordinances new to the Colony were the Hong Kong Dollar Loan Ordinance (No. 11), which empowered the Governor to raise a loan of \$25,000,000 in bearer bonds at $3\frac{1}{2}$ per cent interest for various public works, the Colonial (Bahamas and Leeward Islands) Light Dues Ordinance (No. 15) which implemented an Order of His Majesty in Council dated the 17th December, 1931, under section 670 of the Merchant Shipping Act, 1894, by providing for levying in Hong Kong, colonial light dues in respect of twelve lighthouses and a buoy on or near the coasts mentioned, hitherto maintained mainly from light dues collected in Great Britain, Northern Ireland and the Irish Free State, the Government House and City Development Scheme Ordinance (No. 30), and the Sand Ordinance (No. 41).

7. The twenty seven amending Ordinances covered a wide range of subjects, viz: Commissioners Powers (No. 1), Merchandise Marks (Nos. 2 and 38), Sunday Cargo Working (No. 4), Railways (Nos. 5 and 35), Merchant Shipping (Nos. 6 and 25), Opium (No. 7), Miscellaneous Licences (No. 9), Pensions (No. 12), Marriage (No. 13), Protection of Women and Girls (No. 14), Summary Offences (No. 17), Crown Counsel's Fees (No. 19), Coroner's Abolition (No. 22), Jury (No. 23), Official Signatures Fees (No. 24), Betting Duty (No. 26), Supreme Court (No. 27), Printers and Publishers (No. 28), Empire Preference (No. 31), Estate Duty (No. 32), Evidence (No. 33), Dangerous Goods (No. 34), Police Force (No. 36), and Criminal Procedure (No. 37).

8. Similarly, the subsidiary legislation covered a wide range of subjects, including Supreme Court rules, Marriage, Merchandise Marks, Merchant Shipping, Public Health and Buildings, Waterworks, Vehicles and Traffic Regulation, Ferries, Places of Public Entertainment Regulation, Post Office, Printers and Publishers, Bankruptcy rules, Liquors, Tobacco and Pensions.

Chapter XV.

PUBLIC FINANCE & TAXATION.

The following tables show the Revenue and Expenditure for the five years 1930 to 1934 inclusive.

	<i>Revenue.</i>	<i>Expenditure.</i>	<i>Surplus.</i>	<i>Deficit.</i>
1930	\$27,818,473	\$28,119,646	—	\$301,173
1931	33,146,724	31,160,774	1,985,950	—
1932	33,549,716	32,050,283	1,499,433	—
1933	32,099,278	31,122,715	976,563	—
1934	29,574,286	31,149,156	—	1,574,870

2. The revenue for the year 1934 amounted to \$29,574,286 being \$2,157,339 less than estimated and \$2,524,992 less than the revenue obtained in 1933.

3. Duties on imported liquor and tobacco were less than estimated as they are on a sterling basis and were reckoned on an exchange rate of $\$1=1/3$ whereas the average rate throughout the year was over $1/6\frac{1}{16}$. Assessed Taxes fell short of estimates by \$96,771 due to vacant tenements and large shortfalls were shown by the Opium Monopoly of \$644,932 and in Stamp Duties of \$282,583. A shortfall amounting to \$116,393 was shown under Water Excess and Meter Rents due to 10% rebate allowed from 1st April and 15% rebate allowed from 1st September. Land Sales were less than estimated to the extent of \$641,507.

4. The expenditure for the year 1934 amounted to \$31,149,156 being \$2,293,539 less than estimated and \$26,441 more than the expenditure in 1933.

5. Ordinary expenditure amounted to \$27,364,990, Public Works Extraordinary to \$3,784,166. Large Savings were made under Personal Emoluments when compared with the estimates, provision being made for \$12,955,767 but only \$11,213,115 was expended. By far the greater part of the saving is due to the rise in the sterling value of the dollar. Under Other Charges savings were also effected, the total provision being \$4,871,357 against \$4,294,183 expended. For the first time for many years Public Works Extraordinary exceeded the original estimates. By a resolution of Council dated the 26th July 1934 an extra sum of \$752,000 was placed at the disposal of the Director of Public Works to be spent on a variety of Services.

6. *Debt.*—The Inscribed Stock Loans of 1893 and 1906 amounting to £1,485,733 were redeemed on the 15th October. The 4% conversion loan raised in 1933 amounted to \$4,838,000 and the Sinking Fund established in 1934 amounted at 31st December 1934 to £12,311,211. In July 1934 a $3\frac{1}{2}$ % dollar loan was raised to finance certain public works and to redeem a portion of the Sterling inscribed stock. Bonds to the amount of \$14,000,000 were issued at 99% producing \$13,860,000. The loan bears $3\frac{1}{2}$ % interest and is redeemable by drawings at par in each of the twenty five years commencing in 1935 at the annual rate of one twenty fifth of such issue. Ordinance No 11 of 1934 governs this issue and authorises the Governor to borrow up to a total of \$25,000,000. The total public debt of the Colony on 31st December 1934 amounted to \$18,838,000 equal to about 8 months revenue as things are at present.

7. The Assets and Liabilities of the Colony on the 31st December, 1934, are shown in the following statement:—

LIABILITIES.	\$	c.	ASSETS.	\$	c.
DEPOSITS:—			ADVANCES:—		
Contractors and Officers Deposits..	521,085.50		Purchase of three Locomotives for Chinese Section Kowloon Canton Railway.....	147,468.26	
Suitors Fund	43,638.29		Miscellaneous	237,642.32	
Insurance Companies	1,762,946.51		Building Loans.....	738,250.94	
Miscellaneous Deposits	2,176,481.29		Imprest Account	9,476.27	
House Service Account	23,614.27		Subsidiary Coin	1,261,981.10	
Government House and City Development Fund	1,218,741.28		Trade Loan Outstanding	553,500.50	
Suspense Account ...	975,589.24		Unallocated Stores, (P.W.D.)	573,052.47	
Exchange Adjustment	28,038.16		Unallocated Stores, (Railway)	170,372.02	
Trade Loan Reserve..	1,073,017.94		Dollar Loan Account...	217,067.30	
Praya East Reclamation	112,175.27		Cash Balance:—		
Coal Account	2,092.09		Crown Agents	15,762.01	
Total Liabilities..	7,937,419.84		Treasurer	2,334,087.55	
Excess of Assets over Liabilities....	12,248,755.24		*Joint Colonial Fund	2,913,103.46	
Total.....\$	20,186,175.08		Fixed Deposits:—		
			General ...\$8,800,000.00		
			Insurance Companies 1,762,946.51		
			Miscellaneous 451,464.37		
				11,014,410.88	
			Total.....\$	20,186,175.08	

*Joint Colonial Fund £242,000. 0s. 0d.

8. *Main Heads of Taxation.*—The largest item of revenue is derived from the assessment tax, the sum of \$6,603,229 being collected in 1934. This represents 22.32% of the total revenue

or 22.76% of the revenue exclusive of land sales. The rates vary from 15% to 17% on the annual value of property and are for police, lighting and water services, etc. Port and Harbour Dues comprising Light Dues and Buoy Dues brought in the sum of \$565,457.69.

9. Duties on intoxicating liquors realized \$1,973,845, tobacco \$2,953,834, postage stamps and message fees \$1,829,298. A considerable sum is also derived from the opium monopoly, land revenue, stamp duties including estate duties and other fees. Land Sales during the year realized \$558,473. The receipts of the Kowloon-Canton Railway which was completed in 1910 amounted to \$1,639,775.

10. *Customs Tariff.*—There is an import tariff on all liquor, tobacco and light oils imported into the Colony for sale or use therein. There is no export tariff. The sale of opium is a Government Monopoly, and all importation of opium other than by the Government is prohibited. The importation of Dangerous Drugs is regulated in accordance with the terms of the Geneva Convention. Arms, ammunition, explosives and dangerous goods are subject to the normal Harbour and Police Regulations in regard to storage and movement. A special Foreign Registration fee of 20% of the value of a motor vehicle is payable in respect of any vehicle not produced within the British Empire.

11. The duties on imported liquor range from \$0.60 per gallon on beer to \$1.20 on Chinese liquor and to \$10 on sparkling European wines. The duties are collected on a sterling basis, the conventional dollars in the tariff being converted at a rate which is varied from time to time according to the market rate of exchange between the local dollar and sterling. A 50% reduction in duty is allowed in respect of brandy grown or produced within the British Empire.

12. The duties on tobacco range from \$0.63 per lb. on the lowest taxed unmanufactured tobacco to \$2 per lb. on cigars. The duties are collected on a sterling basis in the same manner as the liquor duties.

13. A duty of 25 cents per gallon is payable on all light oils imported into the Colony.

14. *Excise and Stamp Duties.*—The same duty is imposed on liquors (mainly Chinese type) manufactured in the Colony as on imported liquors, but prior to March 1935 was not payable on a sterling basis.

15. Stamp Duties are imposed on various instruments and where a consideration is involved are mainly *ad valorem*. The following are examples of the duties charged:—Affidavits, Statutory Declaration, etc., \$3; Bills of Exchange (inward) and