

REPORT ON THE FINANCES OF THE COLONY

BY THE

Colonial Secretary and Auditor General.

*Presented to the Legislative Council by Command of
His Excellency the Governor.*

A careful revision recently made by the Honourable the Treasurer of the Estimates of Revenue for next year, which were laid before the Council on the 12th of June last, shows that the amount then estimated which was\$1,212,188
is not likely to exceed 1,135,000

Decrease,.....\$ 77,188

2. The Expenditure for 1885 shewn in the Estimates originally prepared was set down at \$1,150,801. It is therefore now necessary to reduce this amount to about \$1,085,000 in order to leave a margin of at least \$50,000 of Revenue, for unforeseen expenditure during the year.

3. Having carefully gone over the Estimates of Expenditure with the Treasurer and the Surveyor General, I submit for His Excellency's consideration the following recommendations.

That the Estimates of Expenditure laid before Council in June last be in the first place increased by the following items, some of which have been already sanctioned by the Council, whilst the rest appear to be necessary :—

(a.)	Increases to Police Salaries already voted,	\$ 5,500
(b.)	Other increases shown in Schedule annexed,	780
(c.)	Civil Hospital Extension, <i>re-vote</i> ,.....	3,300
c.s.o. 2095. (d.)	Further vote recommended for additional story and extension of separate building, on account of necessity for increased accommodation in the Hospital,...	8,000
(e.)	Repairs to public buildings, increase strongly recommended,	2,000
(f.)	Police Station Hunghom, <i>new</i> ,.....	3,200

Total increase,\$ 22,780

Original Estimate, 1,150,801

\$1,173,581

That the following alterations be made in the Estimates of Expenditure for 1885 in order to bring this sum down to about \$1,085,000 :—

(a.)	Opium Revenue Department to be abolished if the boiling is farmed next year: 10 months salaries to be struck out,.....	\$ 6,900
(b.)	Tree planting, to be reduced by	4,000
(c.)	New Central School (to be paid for out of balances), to be struck out	50,000
(d.)	Draining of Wongneichong, to be struck out.....	25,000
(e.)	Widening Kennedy Road, to be struck out	2,000

\$ 87,900

4. I see no other reduction that can be conveniently effected now, but both the Treasurer and the Surveyor General agree with me in thinking it only fair that the Imperial Government should be asked to bear half the annual cost of the Observatory, say \$3,000 per annum. This institution is quite as useful to Imperial as to Local interests, and its construction has already cost the Colony \$34,500. It would be only reasonable we think that the cost of making observations should be borne partly by the Imperial Government and partly by the Colony.

5. If my recommendations are approved, the Estimates of Expenditure will be reduced

from	\$1,173,581
to.....	1,085,681

leaving an estimated margin of Revenue of about \$50,000 for unforeseen Expenditure. It would not be safe in my opinion to provide a smaller margin than this.

6. As regards the extraordinary works to be executed next year and charged against balances, which it is estimated will not exceed \$657,500 on 1st January next, I beg to recommend that the following items be placed on the Estimates.

	(a.) Tytam Water Works.—The sooner this work is completed the better; a large sum is therefore set down,	\$ 200,000
	(b.) Military Defences,	200,000
	(c.) Central School, transferred from Estimates of ordinary expenditure,	50,000
C.S.O. 2991.	(d.) Drains and Sea-wall at Lápsápwán which Government is bound to make in fulfilment of agreement with purchasers of land in that District,.....	75,000
C.S.O. 3022.	(e.) Completion of Steam Dredger and cost of dredging operations,.....	10,000
	(f.) Unspent balance of vote for repairs of Typhoon damages of 1884, <i>re-vote</i> , ...	9,700
	(g.) Sanitary Works, the details of which will be laid before the Public Works Committee before their execution is sanctioned,.....	50,000
		\$594,700

The Colony is in my opinion pledged to the whole of the works above referred to. It is possible however that the whole of the money set down opposite the different items will not be spent next year in which case the balances will have to be carried on to 1886.

The Surveyor General suggests that the construction of a permanent Quarantine Station, which was referred to in paragraph 12 of my report of 10th November last as a work of pressing necessity, might be deferred for the present, as the temporary buildings which were erected last year may be put in good order at a cost of \$500, and may prove sufficient for all requirements during next year. It has not therefore been included in the works proposed to be executed next year.

7. Should my recommendation be approved the accumulated balances will be reduced by the end of the year 1885 to about \$50,000. As far as it is possible to foresee at the present moment, the financial position of the Colony at the beginning of 1886 will therefore be as follows. The accumulated balances of previous years will be nearly all spent, and the Colony will have \$1,000,000 raised on loan to expend on public works, in addition to what can be spared for that purpose out of current revenue. There will also be the sums produced by sales of land, which have not been taken into account at all in the preceding estimates as it is impossible to estimate beforehand what they will yield.

8. The public works which have been commenced and must be continued during 1886 are the following :—

Tytam Water Works,	\$300,000
Military Defences,	52,000
Central School,	40,000
	\$392,000

Other works which should be commenced in 1886 if it be possible and convenient, are :—

New Central Market,	\$150,000
5 New Schools,	25,000
Extension and repairs of Police Barracks,.....	135,000
	\$310,000

Besides the above there will be Sanitary Works in accordance with the recommendations of Mr. CHADWICK to the extent of say \$1,500,000, all of which cannot possibly be undertaken at the same time, and which may have to be spread over some 5 to 10 years. The construction of a new Gaol has also been approved by the Secretary of State although he has consented to defer its erection to some future period. This is estimated at \$400,000.

It must not be forgotten that interest on the proposed loan say \$75,000 will also have to be paid towards the end of 1886.

W. H. MARSH.

16th December, 1884.

Schedule showing Increases and Decreases on the various items of
Establishments for the year 1885.

<i>Increases.</i>	<i>Decreases.</i>
Registrar General, Establishment,\$1,680	Colonial Secretary, Establishment,\$1,800
Ecclesiastical, Ex. of Establishment, 720	
Medical, Establishment, 120	
Gaol, Establishment, 60	
	\$2,580
Deduct,..... 1,800	
Nett increase,.....\$ 780	