

Report on the Accounts of Receipts and Expenditure for the Year 1884,

BY THE

Colonial Secretary and Auditor General.

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

RECEIPTS.

1. In a report made by me on 10th November last, I estimated that the Revenue for the year 1884, which had been originally calculated at \$1,213,598, would not exceed \$1,151,000.

The accounts for that year have now been closed and the Revenue actually received proves to have been \$1,173,071 or \$22,071 in excess of my revised Estimate. Besides this amount the sum of \$19,695 has been collected for premia on sales of land.

2. The items which exhibit the most considerable falling off, as compared with the original Estimates, are the following :—

1. Licences,	\$126,174	less than estimated.
2. Stamps,	13,607	„ „
3. Interest,	3,037	„ „
4. Storage of Gunpowder,	2,460	„ „

On the other hand, excesses over the original Estimates will be seen in a number of items, the most important of which, are :—

5. Miscellaneous receipts,	\$ 37,972	more than estimated.
6. Rents of Land,	16,137	„ „
7. Municipal Rates,	14,389	„ „
8. Postage,	12,352	„ „
9. Fines,	7,275	„ „
10. Spirit Licences,	3,812	„ „
11. Fees,	2,392	„ „

3. The principal falling off in the Revenue of 1884 has been under the head of Opium Licences (No. 1), owing mainly to the San Francisco market for this drug having been largely overstocked during the year 1883, in anticipation of a considerable increase in the Import duty which the Government of California had announced its intention of imposing. The restrictions imposed on the immigration of Chinese by the Governments of the United States and of the Australian Provinces have also, to some extent, affected the demand for Opium. Macao has also competed with Hongkong in the supply of prepared Opium for exportation.

4. The next item of importance on the list of Receipts which have fallen short of Estimates is Stamps (No. 2). The serious interruption of business caused by the prolonged hostilities between France and China accounts for the reductions shewn under this head. Light Dues and Junk Licences also shew a falling off, though they have not been affected to the same extent. The withdrawal of part of the accumulated balances which are being employed on important Public Works, now in progress, explains the smaller amount received for interest (No. 3); and the falling off on receipts for Storage of Gunpowder (No. 4) is owing to the imports of that article having been allowed to remain for a comparatively short time in the Stores.

5. A considerable portion of the excess shewn under the head of Miscellaneous Receipts (No. 5) has been derived from profit on subsidiary coins, for which a constant demand exists, owing to the large quantity that is taken away from the Colony into the neighbouring Chinese provinces. The remaining portion of the excess results from the new contract for removal of excretal matter which had not been entered into when the Estimates were framed.

6. The increases shewn for Rents of Lands and Municipal Rates, (No. 6) and (No. 7), are due to sales of land and the construction of more houses. The large increase of Postage (No. 8) is derived almost entirely from Chinese letters to California which were formerly sent irregularly by the hands of passengers instead of through the Post Office. The Authorities at San Francisco having seized some thousands of these letters, it is believed that the irregularity has now been effectually put a stop to. Fines and Fees of Courts, (No. 9) and (No. 11), are items which never can be estimated beforehand with any accuracy.

EXPENDITURE.

7. The Expenditure of the year 1884 was originally estimated:—

the ordinary expenditure at,	\$1,193,491
and the extraordinary expenditure at,	272,000
	<u>\$1,465,491</u>

A revised estimate, made in November last, shewed that, as far as could then be ascertained, it would probably be:—

Ordinary Expenditure,	\$1,183,600
Extra ordinary, Taitam,	\$150,000
Sanitary Works,	177,180
Fortifications,	50,000
	<u>377,180</u>
	<u>\$1,560,780</u>

The actual expenditure as shewn by the accounts now made up has been:—

Ordinary,	\$1,254,634
Extra ordinary, Taitam,	\$173,424
Sanitary,	163,874
Fortifications,	3,465
	<u>340,763</u>
	<u>\$1,595,397</u>

The items in which the original Estimates have been most considerably exceeded are the following:—

a. Extraordinary Public Works,	excess \$65,298
b. Miscellaneous Services,	„ 30,424
c. Police,	„ 24,714
d. Works and Buildings,	„ 19,973
e. Roads, Streets, and Bridges,	„ 12,800
f. Pensions,	„ 7,932
g. Lands and Houses purchased,	„ 2,599

8. The original Estimates of Extraordinary Works comprised Taitam Water Works \$100,000, and Sanitary Works \$172,000.

The sums expended on these items have been: Taitam Water Works \$173,424, and Sanitary Works \$163,874, total \$337,298. The large excess over the estimates for Taitam Water Works is due mainly to the greater depth to which the foundations of the dam have been carried down, entailing the use of more cement than was originally calculated, and to the purchase of additional boring machinery for the tunnel.

The total expenditure on these works, to the 31st December last, has been \$297,693. The total expenditure on extraordinary Sanitary Works, to the same date, has been \$214,143.

9. Under the head Miscellaneous (*b.*) the excess is composed, 1st of the payment of \$20,700 to the Contractor for scavenging the Town for which no provision had been made in the Estimates. As this sum is nearly counterbalanced by receipts from the Contractor for the removal of excretal matters, which were also not provided in the Estimates of Revenue, this excess is more a matter of account than a substantial increase of expenditure. The remainder of the excess is made up of the grants to the City Hall, and to the Po Leung Kuk, extra printing, and other work.

10. The large excess under the head of Police (*c.*) has been caused by the supply of new Carabines and Ammunition to the Force; extra outlay in clothing and accoutrements; and the expenses entailed by the destruction by Fire of the floating Water Police Station.

11. Supplementary votes taken for the Observatory, the new Water Police Station; the Sea Wall at Lápsápwan; Pumps, &c., &c., account for the increase under Public Works (*d.*); and similar votes for works at Causeway Bay; for improvements at Shaukiwán; for Roads near the Mahomedan Cemetery to open out new building sites which will be offered for sale; have caused the excess on Roads, Streets, and Bridges (*e.*).

12. Under the head of Pensions (*f.*) the excess over Estimates is owing to arrears for 1883 having been paid at home in 1884. Lands and Houses purchased (*g.*) were not estimated as the necessity for their resumption could not be foreseen.

13. The annexed statement shows that the balance of Assets on 31st December last, originally estimated at \$659,250, was actually\$ 729,562

There is no reason, I think, to anticipate any falling off in the revised estimates of Revenue which were sent home in January last, and which amounted to 1,137,558

Further may be added for balances which have remained for a long time unclaimed and which will be transferred to the credit of the Colony under authority of Ordinance 7 of 1885, about 20,000

Total,.....\$1,887,120

Deducting from this amount the estimated expenditure of 1885, viz. :—

Ordinary Expenditure,\$1,092,981

Extraordinary Expenditure, 594,700

Total,.....\$1,687,681

There will remain on the 31st December next, as far as it now possible to foresee, a balance of Assets of\$ 199,439

The accounts now submitted do not correspond with those published in the Blue Book for 1884 which were incomplete as they included the Crown Agents accounts up to 30th September only. Their accounts for the last quarter of the year could not then be included as they had not been classified.

W. H. MARSH,
Colonial Secretary and Auditor General.

Audit Office, Hongkong, 28th April, 1885.