

## Appendix A (1).

### REPORT ON THE FINANCES FOR THE YEAR 1920.

#### REVENUE.

The total revenue for the year amounted to \$14,689,672 being \$625,128 less than the estimate and \$1,835,303 less than the revenue in 1919. Compared with that year there were decreases under the heads Licences and Interest, the former head showing a drop of \$2,539,616. All other heads showed increases.

2. The principal sub-heads showing excess over the estimate are as follows:—

|  |           |
|--|-----------|
| (a) Assessed Taxes, ... ..                         | \$ 49,542 |
| (b) Liquor Duties, ... ..                          | 49,795    |
| (c) Stamps, ... ..                                 | 292,821   |
| (d) Tobacco Duties, ... ..                         | 31,877    |
| (e) China Companies Fees, ... ..                   | 31,608    |
| (f) Water Excess Supply and Meter<br>Rents, ... .. | 57,834    |
| (g) Postage, ... ..                                | 101,122   |
| (h) Land Sales, ... ..                             | 356,349   |

The increases are due (a) to new assessment, (b) more consumption, (c) to more Probate Duty, (d) to increased sales, (e) to new flotations, (f) more metered service, (g) to increase of business, and (h) to more lands being disposed of.

3. The principal deficit compared with the Estimates was:—

Opium Monopoly, \$1,682,029 owing to decreased sales.

#### EXPENDITURE.

4. The total expenditure brought to account amounted to \$14,489,594 being \$396,899 less than the estimate, and \$3,426,331 less than the expenditure in 1919.

Compared with the estimates there were savings under nine heads.

Miscellaneous expenditure exceeded the estimate by \$742,979 mainly on account of the Grant to the University of Hongkong and Police and Prison Departments exceeded the estimate by \$378,104.

There was a decrease in Pensions (\$14,238), and Public Debt (\$149,428), due to the rising exchange.

5. The revenue for the year exceeded the expenditure by a sum of \$200,078; with the result that the surplus balance increased to \$4,490,266.

6. The following statement shows the Liabilities and Assets on the 31st December, 1920 :—

| LIABILITIES.                  | \$                     | c. | ASSETS.                               | \$.                    | c. |
|-------------------------------|------------------------|----|---------------------------------------|------------------------|----|
| Deposits not Available,       | 907,860.72             |    | Subsidiary Coins, ...                 | 662,327.99             |    |
| Crown Agents' Advances, ..... | 164,970.96             |    | Advances, .....                       | 445,032.30             |    |
| Postal Agencies, .....        | 9,751.29               |    | Building Loans, .....                 | 296,500.00             |    |
| Shipping Control A/c.,        | 2,231,204.11           |    | Imprest, .....                        | 13,933.24              |    |
| Suspense Account, .....       | 15.00                  |    | House Service A/c.,                   | 6,680.09               |    |
|                               |                        |    | Unallocated Stores, (P. W. D.), ..... | 298,721.29             |    |
|                               |                        |    | Unallocated Stores, (Railway), .....  | 230,279.63             |    |
|                               |                        |    | Coal Account, .....                   | 339,830.74             |    |
|                               |                        |    | Investment Account,                   | 4,932,833.56           |    |
|                               |                        |    | Balance Bank, .....                   | 575,074.03             |    |
|                               |                        |    | Crown Agents' Current Account, .....  | 2,855.52               |    |
| <b>Total Liabilities, ...</b> | <b>3,313,802.08</b>    |    |                                       |                        |    |
| <b>Balance, .....</b>         | <b>4,490,266.31</b>    |    |                                       |                        |    |
| <b>Total .....</b>            | <b>\$ 7,804,068.39</b> |    | <b>Total, .....</b>                   | <b>\$ 7,804,068.39</b> |    |

7. The following table shows the Revenue and Expenditure during the last five years :—

|                    | 1916.      | 1917.      | 1918.      | 1919.      | 1920.      |
|--------------------|------------|------------|------------|------------|------------|
|                    | \$         | \$         | \$         | \$         | \$         |
| Revenue, .....     | 13,833,386 | 15,058,105 | 18,665,248 | 16,524,975 | 14,689,672 |
| Expenditure, ..... | 11,079,914 | 14,090,828 | 16,252,172 | 17,915,925 | 14,489,594 |
| Surplus, .....     | 2,753,472  | 967,277    | 2,413,076  | —          | 200,078    |
| Deficit, .....     | —          | —          | —          | 1,390,950  | —          |

#### PUBLIC DEBT.

8. The Inscribed Stock Loans of 1893 and 1906 amount to £1,485,732 and the Sinking Fund now stands at £338,687 being £28,218 more than the amount at credit of that fund at the end of 1919.

The local Loan (under Ordinance No. 12 of 1916) stands at \$3,000,000 with a Sinking Fund of \$438,203 and £84,751 sterling.

#### GENERAL REMARKS.

9. There was no alteration of importance in taxation during 1920.

10. The total receipts and payments in the Treasury books during the year were \$24,179,649 and \$23,601,719 respectively.

The figures not accounted for under revenue and expenditure relate to transactions under various heads such as Deposits, Advances, Subsidiary Coin, Unallocated Stores, etc.

11. Subsidiary coins in stock on the 31st December were as follows :—

|                  |             |
|------------------|-------------|
| 50 cents, ... .. | \$ 2,334    |
| 20 ,, ... ..     | 4,590       |
| 10 ,, ... ..     | 559,611     |
| 5 ,, ... ..      | 76,908      |
| Copper, ... ..   | 18,884      |
|                  | <hr/>       |
|                  | 662,327     |
|                  | <hr/> <hr/> |

The nominal amount of coins in circulation is \$20,764,370, and the market value is now practically par.

12. The local circulation in December of notes of the three Banks having authorized issues was as follows :—

|   |              |
|---|--------------|
| Hongkong & Shanghai Banking Corporation,    | \$26,397,580 |
| Chartered Bank of India, Australia & China, | 10,061,863   |
| Mercantile Bank of India, Limited, ... ..   | 1,000,009    |
|   | <hr/>        |
|   | \$37,459,452 |
|   | <hr/> <hr/>  |

The specie in Reserve came to ... .. \$24,550,000

13. The rate of exchange for the Estimates was taken at 3/- whereas the average rate for purposes of conversion in the Treasury books was 4/5.

C. McI. MESSER,

*Treasurer.*

*28th July, 1921.*