

## HONGKONG.

### REPORT ON THE BLUE BOOK FOR 1912.

#### I.—FINANCES.

The revenue for the year amounted to \$8,180,694, being \$503,206 more than the estimate and \$683,463 more than the revenue for the previous year.

Compared with the returns for 1911 there were increases under every head with the exception of Land Sales and Interest, the decrease under the latter head being accounted for by a Bank overdraft during the second half of 1912.

The expenditure amounted to a total of \$7,202,543, inclusive of a sum of \$1,051,841 spent on Public Works Extraordinary. It was less than the estimate by \$650,135, the decrease being due principally to exchange,—the average rate having been 2/- as compared with an Estimate of 1/9—by the delay in receipt of accounts due by the Post Office in respect of transit charges and mail subsidy, and by the saving of a sum of \$96,140 on the vote for Public Works Extraordinary.

The detailed figures for 1911 and 1912 are set out in the following statements:—

#### HEADS OF REVENUE.

	\$
Light Dues - - - - -	87,454.95
Light Dues, Special Assessment - - - -	98,448.45
Licences and Internal Revenue not otherwise specified - - - - -	5,371,419.75
Fees of Court or Office, Payments for specific purposes, and Reimbursements in Aid	785,534.51
Post Office - - - - -	401,054.32
Kowloon-Canton Railway - - - - -	251,971.53
Rent of Government Property, Land and Houses - - - - -	873,732.50
Interest - - - - -	.....
Miscellaneous Receipts - - - - -	147,293.49
TOTAL, - - - - -	8,016,909.50
Land Sales, (Premia on New Leases) - - -	163,784.58
TOTAL, - - - - -	<u>\$ 8,180,694.08</u>

EXPENDITURE.

	\$
Governor - - - - -	77,566.72
Colonial Secretary's Department and Legislature	67,552.91
Registrar General's Department - -	45,520.75
Audit Department - - - - -	26,727.35
Treasury - - - - -	59,183.11
Harbour Master's Department - - -	207,361.15
Observatory - - - - -	22,595.08
Miscellaneous Services - - - - -	214,275.04
Judicial and Legal Departments - -	241,508.52
Police and Prison Departments - - -	749,571.07
Medical Departments - - - - -	213,602.02
Sanitary Department - - - - -	324,195.86
Botanical and Forestry Department -	39,865.27
Education - - - - -	243,369.39
Military Expenditure - - - - -	1,421,352.47
Public Works Department - - - - -	314,590.96
Do. Recurrent - - - - -	447,636.44
Do. Extraordinary - - - - -	1,051,840.43
Post Office - - - - -	296,867.12
Kowloon-Canton Railway - - - - -	207,350.78
Charge on account of Public Debt - -	647,172.56
Pensions - - - - -	258,439.16
Charitable Services - - - - -	24,399.09
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TOTAL, - - - - -	\$ 7,202,543.25
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The surplus on the year's working was \$978,151, and the balance of assets and liabilities showed on the 31st December a sum of \$2,805,129 in the Colony's favour.

The following is a statement of the revenue and expenditure of the Colony for the five years 1908-1912 :—

	<i>Revenue.</i>	<i>Expenditure</i>
	\$	\$
1908 - - - - -	6,104,207	6,573,341
1909 - - - - -	6,822,967	6,542,839
1910 - - - - -	6,960,861	6,907,113
1911 - - - - -	7,497,231	7,077,177
1912 - - - - -	8,180,694	7,202,553

The capital expenditure on the British Section of the Kowloon-Canton Railway during 1912 was \$1,262,922, a large portion of this sum having been used for the acquisition of a site for a terminal station. The total expenditure on this account amounted at the end of the year to a sum of \$13,284,425.

The amount of the consolidated loan stands at £1,485,732, and in addition the advances by the Crown Agents for Railway Construction amounted at the end of the year to £199,318. Against these items there is at credit of the Sinking Fund a sum of £141,393 and there is a balance of £330,000 unpaid in respect of the loan to the late Viceroy of Wuchang.

No new taxation was imposed during the year and no change of any importance was made in existing taxation.

The rateable value of the whole Colony amounted to \$12,312,306, being an increase of \$1,150,916, or equal to 10·31% over the value of the previous year. In the City of Victoria alone the figures rose from \$9,006,555 to \$10,072,535 an increase of \$1,065,980 or 11·83%. The results in the other districts of the Colony were as follows:—

*Increases.*

The Hill District, \$10,925 or 3·91%.  
Shau-ki-wan, Sai-wan-ho, and Quarry Bay, \$17,161 or 4·91%.  
Hongkong Villages, \$13,015 or 11·08%.  
Kowloon Point, \$30,430 or 6·11%.  
Yau-ma-ti, \$4,285 or 1·67%.  
Mong Kok Tsui, \$20,020 or 14·94%.

*Decreases.*

Hung Hom and Hok Un, \$6,385 or 2·11%.  
New Kowloon, \$1,969 or 1·62%.  
Kowloon Villages, \$2,545 or 2·59%.

For the period 1903-1912 the assessment of the whole Colony has risen from \$8,788,063 to \$12,312,306 an increase in value of 40·10%.

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

Hongkong & Shanghai Bank	- - -	\$19,784,469
Chartered Bank of India, Australia, & China	- - -	5,329,419
Mercantile Bank of India	- - -	496,323
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		\$25,610,211
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The currency of the Colony consists, in addition to the notes of these Banks, of British, Hongkong, and Mexican dollars and of subsidiary coin. The inconvenient size of the silver dollar, approximating to that of a five shilling piece, has led to a considerable demand among the European population for one dollar notes and a large number of notes of this denomination, issued by the Portuguese Banco Nacional Ultramarino and payable at Macao, are in circulation. The Hongkong & Shanghai Bank were authorised during the year under review to increase their issue of one dollar notes from \$226,000 to \$350,000. Silver subsidiary coin minted by the Chinese Government at Canton is in common use generally at a slightly higher rate of discount than that prevailing for Hongkong subsidiary coin.

There are also in the Colony a certain number of notes issued by the Republican Government at Canton. These notes are payable only in subsidiary coin and as they are practically unsecured the discount upon them has reached as high a rate as thirty per centum.

The circulation of foreign copper coin is prohibited by Ordinance No. 11 of 1912, and there is now none such to be found.

The rate of discount on Hongkong subsidiary coin varied during 1912 between the following limits:—

50 cent pieces	1	per cent.	to	4	per cent.
20	..	$3\frac{1}{2}$	..	8	..
10	..	$4\frac{1}{2}$	..	$8\frac{5}{8}$	..
5	..	par	..	5	..
Copper coin	8	..	..	12	..

The total issue of these coins, less those demonetized, amounts to some \$37,432,370 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 1912 twenty and ten cent pieces of the face value of \$40,000 and \$1,000,000 respectively 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. 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 about \$7,000,000 has thus been redeemed. The total issue by the Hongkong Government was of the face value of about \$44,000,000. It is calculated that about half of that amount has dropped out of circulation.