

I.—FINANCES.

The revenue for the year amounted to \$21,131,582 being \$235,161 less than the estimate and \$2,112,783 less than the revenue for the previous year.

Compared with the returns for 1925 there were decreases under all the heads except Kowloon-Canton Railway, Licences and Internal Revenue and Miscellaneous Receipts.

The expenditure amounted to a total of \$23,524,716 inclusive of a sum of \$4,720,000 spent on Public Works Extraordinary.

The detailed figures for 1926 are set out in the following statements :—

HEADS OF REVENUE.	\$	c.
Light Dues - - - - -	110,543.	80
Light Dues, Special Assessment - - -	127,655.	26
Licences and Internal Revenue not otherwise specified - - - - -	14,020,850.	58
Fees of Court or Office, Payments for specific purposes, and Reimbursements in Aid -	1,488,587.	15
Post Office - - - - -	766,539.	87
Kowloon-Canton Railway - - - - -	538,044.	73
Rent of Government Property, Land, and Houses - - - - -	1,264,799.	24
Interest - - - - -	237,443.	67
Miscellaneous Receipts - - - - -	2,290,775.	73
TOTAL, (Ordinary)- - - - -	\$20,845,240.	03
Land Sales, (Premia on New Leases) - - -	286,341.	61
TOTAL - - - - -	\$21,131,581.	64

The total expenditure brought to account amounted to \$23,524,716 being \$265,899 less than the estimate, and \$4,724,102 less than the expenditure in 1925. Miscellaneous Services exceeded the estimate by \$230,130 chiefly on account of the upkeep of emergency organisations brought into existence by the political situation.

Military Expenditure exceeded the estimate by \$173,824.

EXPENDITURE.	\$	c.
Governor - - - - -	115,162.79	
Cadet Service - - - - -	292,521.59	
Junior Clerical Service - - - - -	669,125.82	
Colonial Secretary's Department and Legis- lature - - - - -	55,136.12	
Secretariat for Chinese Affairs - - - - -	8,147.42	
Audit Department - - - - -	45,609.05	
Treasury - - - - -	25,045.41	
Harbour Master's Department - - - - -	619,442.78	
Imports & Exports Department - - - - -	667,665.32	
Royal Observatory - - - - -	45,158.87	
Miscellaneous Services - - - - -	990,467.63	
Judicial and Legal Departments - - - - -	267,171.45	
Police Force - - - - -	1,745,084.97	
Fire Brigade - - - - -	206,232.50	
Prison Department - - - - -	472,337.42	
Medical Department - - - - -	723,228.88	
Sanitary Department - - - - -	569,392.24	
Botanical and Forestry Department - - - - -	87,541.09	
Education Department - - - - -	910,063.09	
Military Expenditure - - - - -	4,247,038.09	
Public Works Department - - - - -	1,248,864.89	
Do. Recurrent - - - - -	1,822,816.80	
Do. Extraordinary - - - - -	4,720,000.19	
Port Development Department - - - - -	59,299.30	
Port Works Extraordinary - - - - -	526,670.93	
Post Office - - - - -	120,848.45	
Kowloon-Canton Railway - - - - -	766,402.88	
Charge on Account of Public Debt - - - - -	803,272.29	
Pensions - - - - -	578,765.67	
Charitable Services - - - - -	115,842.01	
TOTAL - - - - -	\$23,524,715.94	

The balance to the debit on the year's working was \$2,393,134 and the assets and liabilities account showed on the 31st December a credit balance of \$3,486,290.54.

The following is a statement of the revenue and expenditure of the Colony for the five years 1922-1926 :—

	<i>Revenue.</i>	<i>Expenditure.</i>
	\$	\$
1922 ... ..	22,291,065	18,563,003
1923 ... ..	24,783,763	21,571,905
1924 ... ..	24,209,640	26,726,428
1925 ... ..	23,244,365	28,266,870
1926 ... ..	21,131,582	23,524,716