

FEDERATED MALAY STATES.

FINANCIAL REPORT FOR THE YEAR 1920.

1. Sir,—I have the honour to submit my report on the revenue and expenditure of the Federated Malay States for the year 1920.

SUMMARY OF YEAR'S TRANSACTION.

2. The following is an abstract of the estimated and actual revenue and expenditure:

—	Revenue.	Expenditure.	Estimated deficit.	Actual deficit.
	\$	\$	\$	\$
Estimated	60,605,121	94,863,188	34,258,067	
Actual	72,277,146	100,433,471	...	28,156,325
Over the Estimate ...	11,672,025			
In excess of the Estimate	...	5,570,283		

and for the different States of the Federation:

REVENUE.

State.	Estimated.	Actual.	Excess.	Deficit.
	\$	\$	\$	\$
Perak	31,645,810	37,681,352	6,035,542	
Selangor	20,884,873	25,697,389	4,812,516	
Negri Sembilan	5,613,512	5,942,205	328,693	
Pahang	2,460,926	2,956,200	495,274	
Total ...	60,605,121	72,277,146	11,672,025	

EXPENDITURE.

State.	Estimated.	Actual.	Excess.	Savings.
	\$	\$	\$	\$
Perak	47,495,672	50,786,374	3,290,702	
Selangor	35,537,315	37,642,036	2,104,721	
Negri Sembilan	8,329,070	7,635,239	...	693,731
Pahang	3,501,131	4,369,822	868,691	
Total ...	94,863,188	100,433,471	6,264,114	693,731

REVENUE.

3. The estimated and actual revenue under the various Heads of Revenue are as follows :

Heads of revenue.	Estimated.	Actual.	Over the estimate.	Under the estimate.
	\$	\$	\$	\$
Land Revenue	2,982,225	3,226,592	244,367	
Customs... ..	15,407,770	20,586,991	5,179,221	
Licences, etc.	15,239,125	18,124,350	2,885,225	
Fees of Court, etc.	2,252,516	2,036,284	...	216,232
Interest	4,924,062	4,895,358	...	28,704
Forests	1,896,000	2,011,898	115,898	
Posts, Telegraphs and Stamps	1,112,500	1,064,742	...	47,758
Railways	14,500,000	17,316,534	2,816,534	
Miscellaneous Receipts	24,865	77,488	52,623	
Municipal	2,035,858	2,170,997	135,139	
War Taxes ... ..	...	98,953	98,953	
Land Sales	230,200	666,959	436,759	
Total	60,605,121	72,277,146	11,964,719	292,694

4. The following is a comparative return of the revenue for the five years 1916-1920 :

Heads of revenue.	1916.	1917.	1918.	1919.	1920.
	\$	\$	\$	\$	\$
Land Revenue	2,487,189	2,828,062	2,921,538	3,051,035	3,226,592
Customs	15,168,875	23,876,904	18,765,120	18,024,762	20,586,991
Licences, etc.	13,345,009	16,121,496	17,887,811	17,921,677	18,124,350
Fees of Court, etc.	1,272,512	1,432,789	1,439,760	2,542,960	2,036,284
Interest	3,470,964	3,815,561	4,646,093	5,105,573	4,895,358
Forests	576,523	746,629	1,037,725	1,831,984	2,011,898
Posts, Telegraphs and Stamps	793,351	1,126,082	1,041,935	1,299,321	1,064,742
Railways	11,616,696	13,189,829	13,106,413	14,957,460	17,316,534
Miscellaneous Receipts	32,175	51,991	63,517	57,060	77,488
Municipal	1,776,985	1,890,602	2,022,949	2,075,794	2,170,997
War Taxes ... ..	...	...	4,746,518	4,823,227	98,953
Land Sales	581,577	473,241	769,483	444,222	666,959
Total	51,121,856	65,553,186	68,448,862	72,135,075	72,277,146

5. The revenue for 1920 shows a net increase of \$142,071 over that for 1919, the details being :

Heads of revenue.	1919.	1920.	Increase.	Decrease.
	\$	\$	\$	\$
Land Revenue	3,051,035	3,226,592	175,557	
Customs	18,024,762	20,586,991	2,562,229	
Licences, etc.	17,921,677	18,124,350	202,673	
Fees of Court or Office, etc.	2,542,960	2,036,284	...	506,676
Interest	5,105,573	4,895,358	...	210,215
Forests	1,831,984	2,011,898	179,914	
Posts, Telegraphs and Stamps	1,299,321	1,064,742	...	234,579
Railways	14,957,460	17,316,534	2,359,074	
Miscellaneous Receipts	57,060	77,488	20,428	
Municipal... ..	2,075,794	2,170,997	95,203	
War Taxes	4,823,227	98,953	...	4,724,274
Land Sales	444,222	666,959	222,737	
Total	72,135,075	72,277,146	5,817,815	5,675,744

Net increase \$142,071

6. The details of the revenue for 1920 under the several heads of each State are as follows :

Heads of revenue.	Perak.	Selangor.	N. Sembilan.	Pahang.	Total.
	\$	\$	\$	\$	\$
Land Revenue	1,394,900	957,706	609,447	264,539	3,226,592
Customs	11,137,101	7,194,619	1,317,293	937,978	20,586,991
Licences, etc.	8,758,118	5,505,614	2,717,658	1,142,960	18,124,350
Fees of Court, etc.	974,277	731,100	235,181	95,726	2,036,284
Interest	2,417,834	1,719,244	512,088	246,192	4,895,358
Forests	1,597,954	185,765	111,248	116,931	2,011,898
Posts, Telegraphs and Stamps	532,235	358,130	117,132	57,245	1,064,742
Railways	9,612,914	7,703,620	...	...	17,316,534
Miscellaneous Receipts	27,905	27,109	8,621	13,853	77,488
Municipal	858,285	1,007,542	258,599	46,571	2,170,997
War Taxes	72,814	23,013	3,083	43	98,953
Land Sales	297,015	283,927	51,855	34,162	666,959
Total	37,681,352	25,697,389	5,942,205	2,956,200	72,277,146

EXPENDITURE.

7. The expenditure shows a net excess of \$5,570,283 on the estimate. Details under the different heads of expenditure are as in the following table :

Heads of service.	Estimated 1920.	Actual.	Over estimate.	Under estimate.
	\$	\$	\$	\$
Pensions, etc.	824,343	1,123,263	298,920	
Personal Emoluments	10,121,291	11,194,445	1,073,154	
Other Charges	10,396,891	11,490,252	1,093,361	
Transport	146,900	484,778	337,878	
Exchange	1,200	178,264	177,064	
Interest on Advances	900,000	900,000		
Miscellaneous Services	2,982,487	21,684,621	18,702,134	
Military Expenditure	640,000	640,000		
Purchase of Land	101,750	424,223	322,473	
PUBLIC WORKS.				
Works and Buildings— Annually Recurrent	761,305	873,118	111,813	
Roads, Streets and Bridges— Annually Recurrent	3,091,708	3,716,823	625,115	
Irrigation and Drainage— Annually Recurrent	165,790	165,998	208	
Works and Buildings— Special Services	13,372,178	6,021,459	...	7,350,719
Roads, Streets and Bridges— Special Services	5,272,162	2,771,461	...	2,500,701
Irrigation and Drainage— Special Services	542,800	178,441	...	364,359
RAILWAYS.				
Revenue Account	14,051,488	16,753,348	2,701,860	
Capital Account	11,865,645	6,214,999	...	5,650,646
Capital Account— (Construction)	19,625,250	15,617,978	...	4,007,272
Total	94,863,188	100,433,471	25,443,980	19,873,697

Net excess \$5,570,283

8. The expenditure for the five years 1916-1920 compares as follows :

Heads of service.	1916.	1917.	1918.	1919.	1920.
	\$	\$	\$	\$	\$
Pensions, etc.	612,590	648,635	723,558	798,742	1,123,263
Personal Emoluments	7,529,222	7,622,865	7,898,425	8,516,387	11,194,445
Other Charges	5,116,488	5,244,648	6,103,004	7,964,294	11,490,252
Transport	44,884	37,718	42,565	157,382	484,778
Exchange	1,099	1,880	2,014	15,009	178,264
Interest on Advances	1,146,812	904,760	900,000	900,000	900,000
Miscellaneous Services	2,310,558	10,270,872	9,091,795	16,236,263	21,684,621
Military Expenditure ... ..	...	...	...	...	640,000
Purchase of Land	13,883	62,058	176,691	673,291	424,223
Works and Buildings	1,414,327	1,822,890	2,721,257	4,186,672	6,894,577
Roads and Bridges	2,845,642	2,772,425	3,245,867	4,462,865	6,488,284
Irrigation and Drainage... ..	136,889	150,698	232,215	344,234	344,439
Railways	10,794,187	11,339,297	14,149,519	26,421,822	38,586,325
Total	31,966,581	40,878,746	45,286,910	70,676,961	100,433,471

9. Expenditure for years 1919 and 1920 compared :

Heads of service.	1919.	1920.	Increase.	Decrease.
	\$	\$	\$	\$
Pensions, etc.	798,742	1,123,263	324,521	...
Personal Emoluments	8,516,387	11,194,445	2,678,058	...
Other Charges	7,964,294	11,490,252	3,525,958	...
Transport	157,382	484,778	327,396	...
Exchange	15,009	178,264	163,255	...
Interest on Advances	900,000	900,000	...	...
Miscellaneous Services	16,236,263	21,684,621	5,448,358	...
Military Expenditure ... ..	...	640,000	640,000	...
Purchase of Land	673,291	424,223	...	249,068
Works and Buildings	4,186,672	6,894,577	2,707,905	...
Roads and Bridges	4,462,865	6,488,284	2,025,419	...
Irrigation and Drainage	344,234	344,439	205	...
Railways	26,421,822	38,586,325	12,164,503	...
Total	70,676,961	100,433,471	30,005,578	249,068

Net Increase \$29,756,510

FEDERAL.

REVENUE AND EXPENDITURE.

10. Federal revenue and expenditure are estimated separately and are apportioned to States on the basis of the totals of each State's revenue for the year.

The following table gives the Federal revenue and expenditure as compared with the estimates.

—	Revenue.	Expenditure.	Estimated deficit.	Actual deficit.
	\$	\$	\$	\$
Estimated	22,967,375	65,201,865	42,234,490	...
Actual	23,897,743	76,884,776	...	52,987,033
Over the estimate	930,368	11,682,911	...	...

and compared with 1919, the figures are:

—	1919.	1920.	Increase.	Decrease.
	\$	\$	\$	\$
Revenue	24,777,138	23,897,743	...	879,395
Expenditure	54,261,301	76,884,776	22,623,475	

11. The surplus balance to the credit of the Federated Malay States on 1st January, 1920, amounted to	\$109,926,017.48
Revenue for the year 1920	72,277,146.27
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	182,203,163.75
Expenditure for the year 1920	100,433,471.04
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Surplus balance on 31st December, 1920	\$81,769,692.71

12. Investments.—

On 31st December, 1920, our investments stood at \$49,551,477.93 taken at the approximate market value.

Details are:

Description.	Face value.		Cost price.		Approximate value on 31st December, 1920.			
	£	s. d.	£	s. d.	£	s. d.	\$	c.
5 per cent. War Loan 1929-47	1,771,609	15 1	1,798,608	17 1	1,470,436	1 10	12,603,737	93
5 „ National War Bonds 1924	600,000	0 0	600,000	0 0	576,000	0 0	4,937,142	86
5 „ „ „ 1929	500,000	0 0	500,000	0 0	475,000	0 0	4,071,428	57
3½ „ Canadian Northern Ontario Railway	54,300	0 0	49,933	18 6	33,394	10 0	286,238	57
4 „ Funding Loan 1960-90	3,931,250	0 0	3,145,000	0 0	2,673,250	0 0	22,913,571	43
	Rs.	A. P.	Rs.	A. P.				
3½ per cent. Indian Government Stock 1854-5	7,597,000	0 0	7,395,336	14 6	402,641	0 0	3,451,208	57
Municipal Debentures Straits Settlements...	\$1,288,150		\$1,288,150		150,284	3 4	1,288,150	00

13. Assets and Liabilities on 31st December, 1920.—

Liabilities.										Assets.															
										Amount.												Amount.		Total.	
										\$	c.											\$	c.	\$	c.
Cash	...	...	...	...	...	...	...	...	...	2,435,689	44	Cash with Agencies	...	...	...	...	...	...	700,863	86		
Deposits	...	...	...	...	...	...	...	...	...	2,452,269	60	Investments—										
Public Debt	...	...	...	...	...	...	...	...	...	15,000,000	00	Cost.	Approximate									
War Savings Certificates	...	...	...	...	...	...	...	...	...	314,558	04		value.									
Ceylon Agency	...	...	...	...	...	...	...	...	...	13,190	07		\$	c.	\$	c.						
Suspense Account	...	...	...	...	...	...	...	...	...	4,501,370	12	Gold Securities	53,555,952	78	44,812,119	36						
Surplus	...	...	...	...	...	...	...	...	...	81,769,692	71	Indian "	5,318,865	87	3,451,208	57						
												Municipal													
												Bonds	1,288,150	00	1,288,150	00									
													60,162,968	65	49,551,477	93	...	...	60,162,968	65			
												Investment a/c War Savings Certificates					...	...	...	...	305,498	04
												Loans—													
												Siamese Government	...	...	...	...	29,400,000	01				
												Native States	...	...	...	...	6,137,776	80				
												Brunei	...	...	...	...	430,000	00				
												Planters	...	...	...	...	2,541,934	59				
												Miscellaneous	...	...	...	...	438,281	46				
												Sundry Advances	...	...	...	...	...	...	38,947,992	86		
												Drafts and Remittances	...	...	...	...	...	...	5,955,268	15		
													...	...	...	...	...	...	414,178	42		
												Total	...	...	...	...	...	...	106,486,769	98		
																	Total	...	...	...	106,486,769	98

14. The surplus of assets over liabilities at end of 1920 was reduced from \$109,926,017 to \$81,769,692, the expenditure for the year exceeding the revenue by \$28,156,325.

15. A donation of \$125,000 was made towards the relief of the famine in China.

16. A sum of \$12,500,000 was charged off against expenditure in partial adjustment of advances made during the year on account of rice purchases.

17. Advances were also made in December on account of purchase of tin, the amount advanced up to the end of the year being \$4,578,325.

18. The sale of War Savings Certificates, which ceased on the 26th January, 1920, was resumed on the 1st September; and the number of certificates sold during the year was 5,580.

19. An instalment of £300,000 was paid to Siam on account of the Railway loan during the year, and the total amount paid up to 31st December, 1920, was £3,430,000.

20. Investments, which stood at (cost price) \$68,522,426 at end of 1919, were reduced to \$60,162,969 by the redemption during the year of 5 per cent. Exchequer Bonds for \$3,000,000, 6 per cent. Exchequer Bonds for \$5,142,857, and the repayment of \$216,600 worth of Municipal Bonds.

21. The usual returns, as under, are annexed hereto * :

- A Revenue Detailed, 1920 (Estimated and Actual).
- B Abstract of Revenue, 1920 (Estimated and Actual).
- C Expenditure Detailed, 1920 (Estimated and Actual).
- D Comparative Abstract of Revenue, 1919 and 1920.
- E Comparative Abstract of Expenditure, 1919 and 1920.
- F Federated Malay States Revenue for five years, 1916 to 1920.
- G Federated Malay States Expenditure for five years, 1916 to 1920.
- HA Assets and Liabilities of the Federated Malay States as on 31st December, 1919, and 31st December, 1920.
- HB Assets and Liabilities of the Federated Malay States showing the share of each State and Federal as on 31st December, 1920.
- IA Statement of Gold Securities of the Federated Malay States on 31st December, 1920.
- IB Statement of Indian Securities of the Federated Malay States on 31st December, 1920.

FEDERAL.

- J Statement of Estimated and Actual Revenue, 1920.
- K Statement of Estimated and Actual Expenditure, 1920.

STATE RETURNS.

- A Abstract of Revenue and Expenditure, etc., 1920.
- B Comparative Statement of Revenue, 1919 and 1920.
- C Revenue Detailed, 1920.
- D Comparative Statement of Expenditure, 1919 and 1920.
- E Comparative Statement of Expenditure (Estimated and Actual), 1920.
- F Revenue for five years, 1916 to 1920.
- G Expenditure for five years, 1916 to 1920.

F. A. S. McCLELLAND,
Acting Treasurer, F.M.S.,

* Returns not printed.