

The expenditure of the current year being estimated at 52,000*l.*, and the revenue at 170,000*l.*, the resulting surplus will be 118,000*l.* An examination of the accounts of Cyprus, for the five years preceding the British occupation, enables me to affirm that the average surplus of revenue over expenditure in that period was less than 100,000*l.* per annum. The future yearly contribution to the Ottoman Government from the surplus revenues of Cyprus, under the Convention of the 4th June, 1878, will not, therefore, exceed, and may fall short of, the sum of 100,000*l.* Nearly one half of this claim for the current year was taken by the Turks from surplus revenue before our arrival. We shall easily make up the balance from the revenue now in course of collection. And, under ordinary conditions, the current revenue will not only cover the annual payment to the Porte and the expenses of administration, but also provide a fair outlay for roads and sanitary improvements.

(Signed)

GEO. W. KELLNER,
Financial Commissioner of Cyprus.

NICOSIA, CYPRUS, *September 25, 1878.*