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AUDIT CO. REPORT IS EMPHATIC

Changes in Accounting Systems Urged to Safeguard Public Funds

MAGUIRE SCANDAL LENDS POINT TO SUGGESTIONS

Impartial Recommendations Made Calling for Establishment of Examining Bureau Unless Auditors Appointed by Governor

Coming on the heels of the disclosures made Saturday with the introduction by the senate hold-over committee of its reports of the Hilo financial conditions, with the confession of Charles Maguire, auditor of the county, the same committee introduced a supplementary report in the senate this morning, designated as part two. This report was drafted by the Audit Company of Hawaii, which was employed to investigate the books of the county of Hawaii, and contains numerous criticisms of the auditing method in force at Hilo, and also points out better and more accurate methods for the several departments to follow in conducting their official business.

Senator Judd introduced the report on behalf of the "hold-over committee" and on motion of Senator Wirtz it was approved and ordered printed. This will probably be the senate's last official act in connection with the Hilo scandal, as the matter has now passed from its hands and into the care of the attorney general.

The report was approved without comment, the clerk being merely asked to read the accompanying note, which stated that the committee of the ways and means, appointed by the senate of 1911, had ready for submission the second part of the statement of the Audit Company of Hawaii.

Important changes in county administration are called for and recommended in the report. Aside from the criticisms and suggestions as to concentrating the handling of funds in the treasurer's office and restricting the functions of examining and passing upon statistics and accounts, the most emphatic and far-reaching recommendation relates to the general policy of auditing in the territory of Hawaii.

The Audit Company strongly urges either that the governor appoint the various county auditors or that there be created a separate auditing or accounting bureau, having no connection as a department with the territorial auditor's office, and that its function be to pass upon both county and territorial accounts.

The report in full is as follows: The report submitted by the Audit Company to the hold-over committee of senators and by them submitted to the senate this morning is as follows: PART II.

From the first part of our report it is obvious that changes are necessary in the methods of administering the finances of the county in order to safeguard its funds in future.

The system in force in the offices of the county is as detailed in the first part of our report.

It will readily be seen that if the practice hitherto followed is according to law, that is, there is no duty on the part of the treasurer to satisfy himself that the warrants presented to him are "in favor of persons entitled thereto in payment of claims and demands chargeable against the county which have been legally examined, allowed, and ordered paid by the board of supervisors," then there is no means of controlling the power of the auditor to issue warrants.

Section 80, Act 39, Session Laws 1905, provides: "The Auditor shall, between the first and tenth day of each month, examine the books of the treasurer and see that they have been correctly kept."

As the auditor does not appear to be responsible to anyone for the performance of his duties and is not required to make a report to anyone as to whether, or to what extent, he has checked the treasurer's books, there is no means provided for ascertaining whether or not there has been a proper administration of the funds of the county if the auditor neglects his duties.

Congressional Visit Hoped For During Summer

In a cablegram received from Delegate Kuhio by Speaker Holstein, of the house, yesterday afternoon, Kalaniannole advises the acceptance of the late Archibald Scott Cleghorn's gift of Alahau, thus to perpetuate the memory of the Princesses Likelike and Kaluani.

In the same message the Delegate suggests that another appropriation be made for the entertainment of senators and congressmen from the states who may be expected down here this summer. Immediate action has been taken on Kuhio's second suggestion. Representative Norman Watkins this morning introducing a bill in the house proposing to set aside \$20,000 "to be expended in the entertainment of such congressional visitors who may come here prior to June 30, 1915."

THAYER PLANNING SYSTEMATIC PROBE

Commission of Three Probably Named and Thorough Examination of Records To Be Made

Plans for a thorough investigation of the Hawaii county financial scandal have been already worked out by the attorney-general's office along the lines of appointing a commission of three men similar to the Hughes commission that investigated the insurance companies in New York several years ago. The plans drawn up by Attorney General W. W. Thayer were presented this morning to a committee of the senate and will be presented to both houses of the legislature at the earliest possible moment.

According to the scheme worked out by Mr. Thayer, the investigating committee will consist of three men appointed by the governor. These men will not be members of the legislature, but impartial outsiders who will be able to act in very much the same capacity as a grand jury. They will be empowered to subpoena witnesses and to take their evidence, to search the papers and records bearing upon the case, to meet any place at any time. In short, the committee will be given sufficient powers to enable it to probe to the bottom of the matter and to fix the responsibility where it belongs.

HILO RUMORS ARE BIG RING INVOLVED

[Special Star-Bulletin Correspondence] HILO, March 10.—Little else than the Hawaii county fund-juggling and the implication of Auditor Maguire, by his own confession, has been the topic of conversation, since the first published reports of the financial scandal reached here Sunday morning, when the Saturday Star-Bulletin was received.

For days the town has been teeming with rumors that the names of county officials and a large sum of money were involved in the report of the Audit Company of Hawaii to the senate hold-over committee, but there were few who thought the sum of money would amount to more than twenty or thirty thousand dollars, and many expected no charges, other than gross carelessness in the keeping of the county accounts.

Ever since the audit of the books was completed, it has been generally known that a scandal as to the loose way the books were kept was inevitable, but there were those who would not believe that there had been defalcations. After the first surprise at the published confession of the county auditor, there were many who expressed amazement that the pecu-

DEMOCRATS DO NOT AGREE ON OFFICES

Territorial Central Committee's Indorsements Fail to Meet Universal Approval

It's not often that there is more than one political job, fat and within reach, for one man.

Still, as it looks today, Representative S. S. Paxon of Honolulu is likely to be either postmaster at Honolulu or U. S. collector of customs for the territory. And Ed Duisenberg, also of Honolulu, may be either collector of customs or postmaster. Also, there are several other variations for other Democratic candidates.

The Democratic territorial central committee held a lengthy session last evening, which was the aftermath of another lengthy session last Saturday. The session Saturday almost broke up in a row, the echoes of which have been lingering since, but last night the committee put through a number of indorsements, some of them well-agreed upon and others only upon a majority vote.

The session last night was an executive one, and members of the committee absolutely declined to go into details as to the indorsements made. Some of those indorsed, however, are said to have been so happy about it that they couldn't help mentioning the fact to friends. In one way and another, a good deal of what happened last night was being talked about among the politicians of both parties this morning.

SENATOR'S DEATH RAISES QUEER QUESTION OF PAY

Man Who Succeeds Hewitt May Be Able to Draw Full \$600 Salary

What compensation will Senator George C. Hewitt's successor receive?

This is a question that promises some worry to the lawmakers, to whom it must shortly be put. The law provides that a legislator shall receive \$600 for each regular session he attends. It does not set any rule for the payment of this money, such as the date, or whether at a certain rate for each day served. It merely says he shall be paid \$600 for the session he attends, otherwise leaving the question wide open.

It is therefore figured, that possible the late senator's estate is entitled to the entire \$600; that if a member attends the regular session for only one day, he has complied with the statute and is entitled to the full recompense. Senator Hewitt already

CHINAMAN SAYS FEMININE OPIUM SMUGGLER A PUZZLE

Mrs. M. S. Taylor, former stewardess of the Mongolia and returning to Honolulu on the Wilhelmina March 18 to answer to a charge of smuggling opium into this port, has given the local authorities more than a little trouble in issuing the proper warrants for her arrest and return to this city. The case is as curious an one as has come up in a long time. When the

such as would possibly have accounted for his loss of memory. Two other witnesses were called for the defense, Chu Gem and High Sheriff Henry. When the court convenes this afternoon, a few more witnesses will be recalled for the government and then, after the arguments to the jury, the jury will try to arrive at a decision. A verdict in the case is expected today. Lee Hin Jou is indicted for murder in the first and second degrees, and manslaughter in the first and second.



S. S. Paxon, now one of the Oahu representatives, picked by the Democrats for either Honolulu postmaster or collector of customs.

took up, it was learned today, the indorsement of other postmasterships as well as of two circuit court judges, and it was understood today that Judge W. S. Edings was indorsed for the second circuit bench and Ollie Shipman of Hawaii for the fourth circuit.

Several members of the committee, according to a report this afternoon, are not in harmony with the action of the majority in certain indorsements and will probably send to Washington indorsements of their own. Thus it is said that there is an internal friction which refuses to stand for Pringle as a candidate for revenue collector and favors instead Robert W. Catheart. This same view is believed to favor Paxon for customs collector instead of for postmaster, and Duisenberg for postmaster instead of for custom collector. Hence it happens that it looks as if these two lucky ones can't lose out so far as some kind of a good federal job is concerned. Both have strong backing and the Democrats declare they have the support of the businessmen.

As for Pringle, his indorsement already threatens to become a bone of contention. A prominent Democrat, when he heard this morning of the action of the committee, declared that it would result in a dangerous situation within the party ranks.

CARTER AT WORK ON PLANS FOR CAMPAIGN

Organized Publicity to Be Feature of Fight for Sugar Tariff

Former Governor George R. Carter, selected by the the mercantile association and chamber of commerce as the proper man to go to Washington in a fight for the sugar tariff, is actively at work today organizing plans for a lively campaign.

Both President Bishop of the chamber of commerce and President O. C. Swain of the Merchants' Association are keenly interested in Mr. Carter's plans, as outlined to the directors of the latter organization yesterday.

As advised by Messrs. Bishop and Swain, heads of the two commercial bodies, the local campaign is designed in the first place to be a publicity one. Every merchant and individual, as well as the commercial bodies as such, will be expected to write their business and personal acquaintances on the mainland, giving plain facts relative to the importance and the position of the sugar industry, with requests to private individuals to communicate the information to their acquaintances in Washington public life. All branches of business here will be appealed to do their part in aid of the campaign of information, as all are equally dependent for their prosperity upon the sugar industry.

With the launching of such a propaganda there will be appointed committees appointed to manage the financial end and properly to direct the agitation. Such printed matter as may be available, in the form of government and plantation reports, news papers containing facts bearing on the object, etc., would of course be included in the publicity feature of the work.

When the local campaign has been fairly inaugurated may be considered as time enough for Mr. Carter to go to Washington to work at that end. This, however, is a question to be discussed at the conference tomorrow, which will be at 3 o'clock in the rooms of the Chamber of Commerce.

In the meantime, it is practically settled that L. S. Conness, late editor of the Hawaii Herald, who left for Washington today to remain there for some years, will act as correspondent of the commercial bodies here and keep them posted regarding the current of tariff legislation, besides doing whatever he finds possible to promote the campaign at the national capital.

ARMAMENT FOR COAST DEFENSE

Portions of armament for coast defense guns, some pieces weighing twenty tons, were landed at Honolulu with the arrival of the Matson Navigation liner Lurline from San Francisco today.

Bringing fifty cabin and eleven steerage passengers, the steamer berthed at Hackfeld wharf at 12:30, completing a passage in which the elements were not at all favorable. Strong gales and heavy seas prevailed a portion of the way across the Pacific. One hundred and sixty sacks of mail and 3000 tons cargo are intended for this port.

An interesting program of deck sports was arranged by Capt. Weeden and Purser Meyers in which many passengers participated. On the afterdeck of the vessel twenty-five head of stock traveled in safety.

The Lurline is to be dispatched for Kahului on Thursday evening, where 800 tons freight will be discharged. "The last trip to the coast was the roughest I ever encountered," declared Captain Weeden today in discussing the experience through which the Lurline and her passengers went in steaming to San Francisco.

FENNELL RAIDS PARK PIGGERY

A blind piggery that is alleged to have done a flourishing business adjoining Aala Park, from which fount of spiritual dispensation much common wine was sold to crowds that haunt the locality, has been raided by Special License Officer Fennell with the result that George Kikila finds himself in trouble.

Fennell alleges that the place has served as a supply station for many third-ridden. He claims to have found a number of empty demijohns in making his descent upon the tenement. The defendant has entered a plea of not guilty to the charge of selling liquor without a license.

SUGAR

SAN FRANCISCO, Mar. 10.—Sugar: 96° test, 3.58 cents. Previous quotation, 3.54 cents. Beets: 83 analysis, 10 s. Parity 4 1/2 cents. Previous quotation, 9s. 11 1/2 d.

The wife of an engineer of Irondale, Wash., her two children and brother-in-law were drowned when their sloop capsized off Port Townsend, Wash.

AUSTRIA IS BELLIGERENT EMBROILED WITH SERVIA

Vienna Demands that Serbs Withdraw from Siege of Scutari. Renewed Tension in Europe—Capitals Are Alarmed

[Associated Press Cable] BELGRADE, Servia, March 11.—Austria has demanded that Serbia withdraw from the siege of Scutari, and this threatening ultimatum has given renewed tension to the international situation, causing grave concern among the powers.

Stefansson Dares North

[Associated Press Cable] SAN FRANCISCO, Cal., March 11.—Undaunted by the fate that befell his fellow-explorer, Capt. Scott, another polar wanderer will set out tomorrow, Captain Vilhjalmur Stefansson, who first gave to the world the news of the "white" Eskimos, will sail tomorrow in his staunch little ship, the Karluk, for the far north. The party includes ten scientists and will be away three years. Stefansson says he hopes to discover more blonde Eskimos.

Hurricane In Sydney

[Associated Press Cable] SYDNEY, N. S. W., March 11.—A terrific hurricane here has derailed sixty trains, drowned three people and wrecked many yachts and houses. Scores of injured are reported.

Mexico Asks Recognition

[Associated Press Cable] WASHINGTON, D. C., March 11.—A serious question confronts the United States with the early nomination of a new ambassador from Mexico in this country. When the nomination comes to Washington, the question of recognizing the Huerta-Diaz government must be settled. By recognizing the ambassador, the United States formally recognizes the new government and lends a sort of sanction to the overthrow of the Madero government.

BAND OF HUERTA'S MEN TRAPPED AT AGUA PRIETA

[Associated Press Cable] DOUGLAS, Ariz., March 11.—A thousand Constitutionalists have surrounded 500 Huertistas at Agua Prieta, and an assault is impending.

Suffragettes Get Month

[Associated Press Cable] LONDON, Eng., March 11.—Five suffragettes of the militant type, who stormed the king's carriage yesterday to present suffrage petitions to him and were arrested, today were sent to a month in jail.

WORKMEN'S COMPENSATION BILL UP AT PUBLIC HEARING TODAY

Senator Wirtz's Measure Attracts Attention and Gets Much Support

The sentiment of the people will be listened to this afternoon by the judiciary committee of the senate on the proposed employers liability statute, though having gone into the provisions of the bill thoroughly, and being strongly in favor of its passage, the committee decided to first hear outside opinion before reporting on the measure.

The meeting will be held in the senate chamber at 3 o'clock, and all having an interest in the bill, one way or another, are urged to be on hand. S. B. No. 10, as it is known, being a direct departure from the old common law liability acts, has had so far a rather slow progress through the senate, which is due to the close scrutiny, it has received by committee members and others.

If the sense of the meeting this afternoon is shown to be in favor of the act, it is likely that the judiciary committee will report it back to the senate with favorable recommendations.

The bill is drafted along the lines of modern legislation, and much of it has been taken from the model act framed by the uniform legislation league, which has sprung into life during the past few years and is dedicated to the interests of uniform legislation suited to present needs.

OFFICIALS SPEND MUCH MONEY ON AUTOS

"That ought to be excellent grounds for an investigation by the newspapers," commented Speaker Holstein aloud as the summary of a communication from Territorial Auditor Fisher, showing the automobile expenses of the various government departments, was read in the house this morning.

Auditor Fisher, in compliance with H. R. 64, calling for a list of the automobile expenditures of the different departments during the last eighteen months, submitted a bulky volume of figures giving these figures in detail, up to December, 1912.

They show that the total amount spent by territorial officials on autos, auto repairs and upkeep during that period to have been \$29,823.17. Of this amount \$11,890.20 went into the purchase of new cars and \$17,932.97 for running expenses. By department the items are tabulated as follows: Board of health, \$5,134.58; board of agriculture, \$4,503.18; loan fund, \$10,570.70; water works and sewers, \$1,671.60; public works, \$3,259.64; special income tax fund, \$2,210.94; other taxes, \$2,472.53.

Bareback polo was tried at the San Mateo Polo Club. It is thought to be a bit too dangerous sport to become vastly popular.

DR. PEABODY ILL, DINNER IS CANCELLED

Dr Peabody is suffering from a severe attack of tonsillitis and has been ordered by his physician to cancel all his engagements.

Consequently there will be no meeting of the Men's League at dinner this evening in the parish house, where the members of the league were to meet and hear the noted Harvard professor.

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DANCE TONIGHT AT WAIKIKI INN

The management of the Waikiki Inn announced another of those popular dances for tonight in honor of its guests, friends and townsmen.

Bareback polo was tried at the San Mateo Polo Club. It is thought to be a bit too dangerous sport to become vastly popular.

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