

size the honesty of purpose and integrity of our officials.

Revenue of the State. It is gratifying to state that the revenue of the Commonwealth are very readily and materially growing. In 1906 the First Auditor estimated the receipts of the State for the year 1907 at four and one-quarter million dollars; it now appears that the actual receipts are nearly five million dollars. Prosperity seems to rest upon all of the people in every quarter of the Commonwealth. The commerce of the State is annually increasing, and the industries are being established, improved means of transportation are being created, the wealth of the mine and the forest, heretofore dormant, are being converted to money, and the consequent increase in industrial activity amongst our people. The enormous development in the State now going on, and the greatly increased revenue of the Commonwealth, make it more imperative than the recommendations of this committee for an immediate and far-reaching reconstruction and improvement in the system of accounting now employed in our State offices. The united efforts of the several offices may have been sufficient for the needs of former years, but our rapid commercial evolution and increased wealth require more accurate accounting. The State needs a more perfect and uniform system of checks and balances between the several departments.

Present System of Accounting and Need for Reform.

This committee cannot too strongly urge the necessity for a complete reconstruction of the system of accounting now in vogue. As at present constituted, each department conducts its financial affairs independent of every other department; in many cases there is no attempt to employ checks and balances between one another. There are no checks upon many of the sources of revenue and no auditing which compels the payment into the treasury of funds properly due the State. The accounts supplied by many of the departments is but little more than mere memoranda, and no attempt is made at double entry bookkeeping. No balance sheets can be made up at stated periods, and few of the usual methods used to detect the errors in entries are used. There have been kept no controlling accounts for the purpose of maintaining correct balances and to ascertain if the proper amount has been received or disbursed. In some of the departments the reports made to the General Assembly are arbitrary, and many of them could not be verified in detail by our expert accountants.

It is a pleasure to state that the State Farm, Virginia Penitentiary and the Laurel Reform School have adopted a proper system of bookkeeping. Their accounts are accurately and simply kept, and their financial condition can be ascertained at any time.

REPORT ON THE SEVERAL OFFICES.

First Auditor's Office.

The examination of this office extends from October 1, 1906, to the present. Under the present system of accounting in this office it is impossible to take a balance sheet or to apply the usual test of double entry bookkeeping for the purpose of detecting errors. The system employed appears to be one that conforms to no fixed rule or principle of the commonly accepted methods of correct bookkeeping, the accounts kept being largely arbitrary and many of them lacking correlation with the system of accounts necessary to a correct system of keeping accounts. While we find nothing in the records of this office that leads us to believe that its affairs were not honestly administered or that the State Auditor is in any way guilty of misfeasance, at the same time we think it proper to say that, if errors exist, they would, under the system of accounting employed, be difficult to discover. Nor do we have any reason why defalcations like the one above referred to might not occur at any time, should the employees of the government be sufficiently dishonest to make the attempt.

Treasurer's Office.

We are pleased to report that the office of the Treasurer of the State is satisfied with the system of keeping the accounts have been verified and all of the securities have been examined and reported correct.

Second Auditor's Office.

We found that this office lacked a proper system of accounting, and more especially was this true with the accounts of the Miller Fund; but upon the suggestion of our accountants the State Auditor has immediately adopted a proper system of keeping these accounts.

Office of the Secretary of the Commonwealth.

An examination of this office showed that the records were kept with care and neatness, but that the accounts dealing with the financial matters were crudely kept, and could be much improved upon. The system of an expert accountants, an improved system of accounting has already been inaugurated in this office.

Corporation Commission.

The examination of this office showed that there was room for improvement in the system of accounting employed. We believe that this was due to the fact that the commission was new, and had not fully arrived at the proper way of keeping its accounts. Its accounts are in much better shape than they were at the beginning.

Department of Agriculture.

We report to report that we did not find the affairs of this department in a satisfactory condition. The bookkeeping was of such character that it did not properly show the transactions of the department, nor did the records show that the proper attention had always been paid to the law regulating the conduct of the department.

We have examined this office from the day the present commissioner was disbursed to the present period. The accounts in this office were in many cases, irregular, and as will be seen by reference to the report of the expert accountants, many of the payments were made by warrants drawn in the name of G. W. Kolner, unaccompanied by vouchers showing for what purpose the money was expended. This practice cannot be too highly condemned.

The commissioner took the liberty of depositing the funds due from the sale of fertilizer tags in banks in his own name as commissioner, until such time as it pleased him to cover them into the treasury. Instead of depositing such funds immediately with the State Treasurer, as directed by law, under a former ruling of the Auditor, which we understand has since been reversed by him under advice of the Attorney-General, the department maintain the efficiency of the department by carrying to completion the plans of the board, the commissioner, seemingly without objection from the State, formed the practice of reporting as collected in the accounts, funds which were, in fact, collected the year preceding and of reporting as disbursed certain sums of money which were still in his hands unexpended.

The most conspicuous error in this kind is found in his report for 1907, when he reported \$5,124.42 as having been collected on October 2, 1907, when

"Berry's for Clothes"

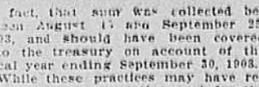


Don't run your legs off because you'll need them for trousers, but come quick as you can after we open Monday. We've added a new lot of late arrivals—forty fancy mixtures two-piece suits.

These we ordered for June—here it is August; \$7.25 out off the price \$17.75 instead of \$23!

Other things worth running after: \$20 and \$22 Suits at \$12.75. \$15 Suits at \$9.75!

Furnishings, Shoes and Hats same way. For boys, too.



In fact, that sum was collected between August 1 and September 25, 1907, and should have been covered into the treasury on account of the fiscal year ending September 30, 1907. While these practices may have resulted from an excessive zeal for the betterment of the department on the part of the board and the commissioner, they are nevertheless to be most strongly discouraged.

It is a pleasure to note that so far as the books reveal, there have been no shortages in this department, and that the accounts are in full agreement with the Auditor's ruling and the disappearance of the cause therefor.

Under advice of our accountants, this department has adopted a greatly improved system of accounting, and it is hoped that many of the irregularities herein noted will no longer prevail in this department.

The annual reports of the commissioner seem to have been carefully made up and the expert accountants, with one exception, were unable to verify them. It will be also observed from the statement of "fertilizers seized, attached to this report, that there have been various concerns manufacturing fertilizer. Out of a total of thirty-six violations, only one case has been reported to the court.

We are of the opinion that the Board of Agriculture is equally responsible with the commissioner for the irregularities in this department. We note also that considerable sums of money were apportioned among the members of the board, but would have been in the work of the department, and also that in many cases proper vouchers for these expenditures have not been furnished by the members of the board.

Without meaning to reflect in any way upon the character and integrity of the members of the board, we do not believe that it is a safe business principle or sound public policy to allow a bona fide business transaction among themselves money belonging to the State for expenditures which should be supervised by them.

We are of opinion that the Department of Agriculture should have authority to collect the collection of funds derived from the sale of tags, but that all of the financial operations pertaining to the department should be conducted through the First Auditor's office.

Recommendations.

We are strongly of the opinion, in order to correct the deficiencies to which we have referred in this report, that it will be necessary to inaugurate an entirely new system of keeping the accounts of the various offices. We are convinced that this system should be one by which the accounts of the various offices come into a complete correlation with the books in the First Auditor's office. We are of the opinion that the introduction and operation of this system cannot be accomplished by the mere amendment of law, but would have to be brought about by the creation of a bureau of audit, which should be under the charge of a competent expert accountant, assisted by such traveling auditors as may be found necessary. He should be given full power to install such a system of accounting in all of the offices of the State, including clerks and treasurers of the cities and counties; and, furthermore, he should be empowered to demand the books and records of all public officials, and to make such reports as he may deem necessary. Annual or oftener the expert accountant should audit all of the accounts under his charge.

We are further of the opinion that the business of the Second Auditor's office, as at present constituted, could be better and more economically managed as a department of the First Auditor's office; and, therefore, we recommend the abolition of this office.

We respectfully beg leave to submit herewith the report of the expert accountants employed by this committee, marked Exhibits A, B, C, D, E, F, G and H, which we ask to be read as a part of this report.

Respectfully submitted, ROBERT W. WITHERS, Chairman.

ORDWAY PULLER, JOHN J. OWEN, A. F. THOMAS, W. LYNN.

August 15, 1907.

THE MARY SANFORD NOT MUCH DAMAGED

[Special to The Times-Dispatch.] WILMINGTON, N. C., August 17.—The schooner Mary Sanford, Captain Smith, from Boston to Georgetown, S. C., with part cargo of cement, previously reported aground two miles north of Core Banks Life Saving Station, was successfully floated by the revenue cutter Seminole Friday, 16th, and towed into Southport. She suffered loss of the shoe, or false keel, but otherwise the vessel and cargo do not appear to be damaged.

Lieutenant Jones, of the cutter, suffered a severe laceration of three inches, and lowering a boat while on the schooner.

BROKERS NOT YET SERIOUSLY HIT

All Wires Were Working Yesterday and Only One Man Went Out.

HIS PLACE QUICKLY FILLED

Chief Striker Hervey and Companies Appear Equally Confident of Victory.

There were no material developments yesterday in the telegraphers' strike situation in Richmond.

Chief Hervey, of the strikers, had given it out that all the brokerage establishments in the city have one would be closed during the day unless the union scale were signed, but as a matter of fact, only one operator employed by a brokerage firm quit his key. He was Russell White, operator for Thos. Branch & Co. This firm declined to sign the scale. White walked out, and his place was quickly supplied by a nonunion man.

McNaughton & Co. signed the scale, union operators for Miller & Co. and Hensel, Mass. & Leitch, worked throughout the day, as did those employed by Branch Cabell & Co. and Scott & Stringfellow. Geo. T. King & Co. have not been affected, as it is understood they have for some time paid the union scale. The upshot of it all is that the brokers did business as usual yesterday, the only man went out and his place was quickly supplied.

May Never Come.

The promised crisis therefore did not come. It may come to-day or to-morrow, and it may never come, for it is feared that the companies have with the big end of the situation, and that delay on the part of operators in quitting their keys is strengthening the hands of the opposition force.

At a meeting of local telegraphers No. 35, at 4 o'clock yesterday afternoon, all the operators working for brokers were present, and all save one, ascertained that they had made arrangements with their employers which would meet the demands made by President Sylvester J. Small, of the national union.

One of those not in a position to report was the operator for Messrs. Scott & Stringfellow, who said that he had made arrangements with their employers which would meet the demands made by President Sylvester J. Small, of the national union.

Chief Hervey said last night that he felt confident of victory. Indeed, he declared that he was greatly pleased with the outlook, and that the union was gaining stronger in its position each day.

The companies appear equally, if not more, confident. Manager Stevenson, of the Western Union, said last night that conditions were greatly improved in his office, and that everything was moving along nicely. He asserted that he had no complaint of trouble in handling the business at this end, and but little elsewhere. He was getting through the bulk of his business with no unreasonable delay, and that coming this way was handled with about the usual expedition. He took a number of calls yesterday, and it did not seem to anticipate any further trouble.

Manager Sydney, of the Postal, talked much in the same manner yesterday, and he said that he had more force yesterday than he could work, and that he sent some applications to other agencies, where they were needed. He said conditions in the Richmond office were practically normal, and that the handling of business at this point was giving the company practically no concern.

LOOKS LIKE CATLETT GETS NOMINATION

Vote in District Small and He Carried Rockbridge by 500 Majority.

[Special to The Times-Dispatch.] LEXINGTON, VA., August 17.—Meagre reports from Democratic primaries held to-day in Rockbridge and Bedford indicate nomination of Colonel Robert Catlett, for State Senate by about 500 majority over William Eubank and J. R. Tucker, of Bedford; J. S. Craig, for House of Delegates over W. P. Pearson by 150 or 200; David E. Moore, for Commonwealth's Attorney of Rockbridge, over E. M. Pendleton, by 300; J. H. Whitmore, for supervisor, of Lexington District, over W. M. Showalter, by 50.

The vote throughout the county was light, only about 600 estimated to have been cast.

Vote in Bedford City.

BEDFORD CITY, VA., August 17.—In the Democratic primary election held here to-day, the voters of the Senate stands: Catlett, of Rockbridge, 29; Eubank, 22; J. R. Tucker, 183. For House of Delegates—West, 200; Liberty, 241; Turpin, 34; Gillespie, 30.

APPARENTLY KING IS NOMINATED FOR SENATE

His Majorities in Clifton Forge and Covington Can Hardly be Overcome.

[Special to The Times-Dispatch.] CLIFTON FORGE, VA., August 17.—A Democratic primary was held to-day in this city and the counties of Allegheny, Bath and Boone. It was there nominated a candidate for the State Senate, F. W. King, of this city, and G. W. Layman, of Craig, were the aspirants.

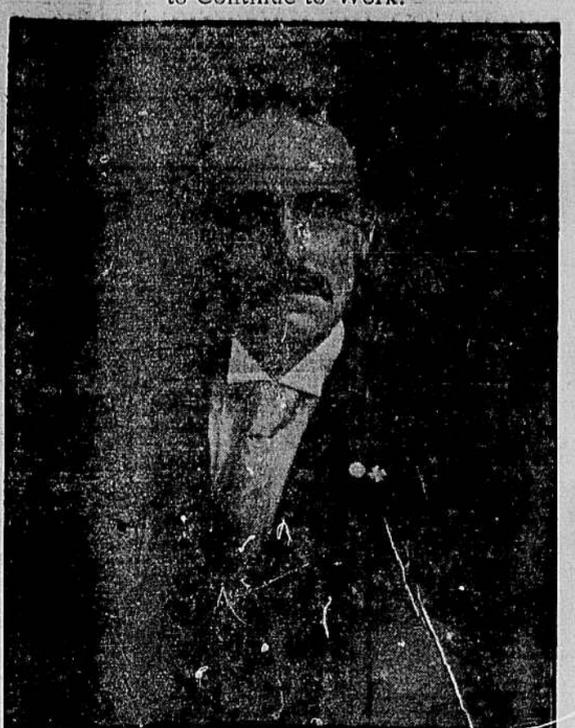
King carried Clifton Forge and Covington by more than three hundred majority, and the inference is that he is nominated. It will be late Monday before the result will be known, and it is hardly probable that Layman can overcome the vote given King in this city and county.

AUTOMOBILE STRIKES MAN, INFLECTING FATAL INJURIES.

PHILADELPHIA, PA., August 17.—While alighting from a trolley car in West Philadelphia to-day, Arthur Klem was run down by an automobile, receiving injuries from which he died later in a hospital. He was fifty-five years old, a member of the Union League, and was widely known. The automobile was being driven by Dr. William E. Hughes, of West Philadelphia, who placed Klem in the automobile and took him to a hospital.

HERVEY SETS FORTH SIDE OF STRIKERS

Leader of Operators Here Explains What Men Want and Grounds on Which They Refused to Continue to Work.



C. S. HERVEY, Leader of Striking Telegraph Operators in Richmond.

"A cessation of the telegraph business, due to a strike of the telegraphers, has occurred but three times in the history of this public necessity. The last previous strike occurred twenty-four years ago, and, therefore, the people to whom it is a necessity and a convenience have not been so frequently annoyed and injured by disconnections between the telegraph corporations and their employees as to have become familiar with the conditions which have produced the present strike.

"The newspapers of Richmond have editorially asked for the causes of the stoppage of telegraphic communication. They have stated that it is the duty of the telegraphers to make known to the people the reasons for the strike, and to leave it to their people to judge whether or not their action is justifiable. Likewise, the newspapers of Richmond have said to their readers that public sentiment was essential to the success or failure of the operators' cause, and proposed that terms would be offered, or arbitration accepted, by the telegraphers if the demands of the telegraph corporations could be sustained by such a presentation.

"For the telegraphers of Richmond, of the entire country, I accept the duty imposed, and the opportunity thus afforded to place ourselves before the tribunal which has never yet been proven false or incompetent—the people.

The Grievances.

"The telegraphers last June, according to the constitution of their union, and by vote of every local part thereof, authorized and instructed their president, Sylvester J. Small, and his officials to present to the national association of the two telegraph corporations, the Western Union and the Postal Telegraph and Cable Companies, a request that five subjects of interest and importance to the telegraphers be considered and adjusted. These five grievances were as follows:

"1. An eight-hour work day.

"2. An increase in compensation for services rendered by the telegraphers, and contemplating the equalization of such compensation in accordance with the service performed.

"3. The corporations to furnish typewriters required for the conduct of their business.

"4. The abolishment of the 'sliding scale' of salaries.

"5. A curtailment in the compulsory compliance by the telegraphers with private rules of the corporations which, to a considerable extent, have annulled the civil and legal rights of the employees.

"The last June meeting of the Western Union board of directors in New York that body declined to even receive from our officials a statement in which these grievances were set forth and their adjustment requested. They refused to grant any redress, and challenged us thereby to obtain redress through the only other means at our command—a strike.

How It Came About.

"A walkout by the telegraphers of San Francisco—a purely local affair—followed, and was adjusted by the agreement of the two corporations to arbitrate the grievances at issue at that point, and to reinstate all former employees without prejudice. Both corporations completely violated their agreement.

"The general strike which now prevails was precipitated by the action of the California telegraph officials, in discharging a thoroughly proficient and highly esteemed telegrapher at Los Angeles, upon the unsupported complaint of a woman operator in San Francisco, that he had used language to her, in a hotel, which she could not construe as flattering to herself. It developed, and was proven, that Operator Ryan, at Los Angeles, had said to Mrs. Nichols, at San Francisco, in response to a taunt from her, that she was a 'hooker' and a 'whore'.

"Mrs. Nichols had remained at work during the San Francisco strike, and the officials of that office showed their appreciation by granting her request for Ryan's discharge.

All Struck.

"All of the telegraphers at Los Angeles resisted this demonstration by striking. The Chicago operators, disappointed at the action of the corporation managements in New York to even receive a presentation of their grievances, the bad faith shown by the officials in complying with their agreement in San Francisco, and appreciating the very evident fact that a strike remained the only method of opening the questions of difference, refused to work with nonunion men at Los Angeles. A complete strike in Chicago resulted, and immediately followed by similar action on the part

Cramps and Dysentery CENTRAL OF GEORGIA MATTER UNSETTLED

Diarrhoea, cholera morbus, stomach ache, congestion, sunstroke, heart failure, fainting, weak stomach, malaria, chills, fevers, prostration and the hundred and one ills of summer can be prevented and cured by taking



Duffy's Pure Malt Whiskey

It kills the disease germs and invigorates and strengthens every organ and part of the human body. Absolutely pure. Fifty years' reputation.

It is distilled wholly from malted grain, and its softness, palatability and freedom from injurious substances make it acceptable to the most sensitive stomach.

Thousands of leading doctors prescribe it and prominent hospitals use and endorse it, exclusively as the most valuable invigorating tonic stimulant known to medicine.

All druggists, grocers and dealers or direct, \$1 a bottle. Illustrated Medical Booklet containing some of the many convincing testimonials received from grateful men and women who have been cured and doctor's advice sent free. Duffy Malt Whiskey Co., Rochester, N. Y.

MANY WORKMEN HURT

Collapse of Scaffold Results in Injury of Twelve Workmen in Injury

NEW YORK, August 17.—Two workmen were killed and ten others injured, one of them seriously, by the collapse of a scaffold surrounding a gas tank in course of construction for the Brooklyn Edison Gas Company in Williamsburg to-day. The men fell thirty feet. The dead are: Robert Bell, thirty-one years old; Rocco Pold, thirty-three years old. One Flynn sustained a fractured skull.

HOLD TWO FOR MURDER.

Men Who Start Fire Causing Explosion to Be Tried.

BOULDER, COLO., August 17.—Information furnished by the coroner to-day by Assistant District Attorney, A. McHugh against John W. Reeves and Frank Kiser, railroad employees, who were held responsible for the coroner's jury for the dynamite explosion at the Colorado and Southern depot last Sunday, which resulted in three deaths, and the death of a child, confessed that they started the fire which caused the explosion.

KILLS SISTER BECAUSE SHE WOULD LEAD HIM MONEY

PHILADELPHIA, PA., August 17.—Because she refused to lend him money, Agnes Dogan, aged 28 years, was shot and killed by her brother, John, in this city to-day.

Miss Dogan came from her home in Atlantic City Thursday to visit a friend of her family here. Her brother is a railroad flagman.

MICHIGAN VILLAGE ALMOST WIPED OUT BY FIRE

HANCOCK, MICH., August 17.—The village of Hubbard, ten miles from here, was nearly wiped out by fire this morning. Twenty-two dwellings, four stores, the Elmhurst Hotel, the post office, and the coalshed, trawler and coal piles of the Calumet and Hecla mines were burned. The loss exceeds \$10,000.

FATALITY WOUNDS WIFE AND KILLS HIMSELF.

NEW YORK, August 17.—Angered over a family difference, Valentine Hess, a barber, fired two shots at his wife and killed himself at his home in Sea Cliff, Long Island, to-day. Physicians say that Mrs. Hess will die.

THE FYLGIA NOT EXPECTED TO-DAY

Admiral Evans, However, Now at Hampton Roads to Receive Prince Wilhelm.

NORFOLK, VA., Aug. 17.—Rear-Admiral Evans has arrived in Hampton Roads aboard the flagship Connecticut, accompanied by the battleships Minnesota and Vermont and everything is ready for the official naval reception to be accorded Prince Wilhelm, of Sweden, on his arrival in these waters on the cruiser Fylgia. It was expected that the prince would arrive to-morrow and everything had been prepared to this end, but it is not now believed that the Fylgia can arrive here from Bermuda under a day or so later. The program for the prince's entertainment included an official visit to Norfolk and reception by the Swedish vice-consul Monday and a dinner by Governor Swanson, of Virginia, Tuesday. The prince was scheduled to leave here Aug. 21 for Newport, R. I., where a change in the Newport program for the prince set to begin Aug. 22. The United States weather bureau at Cape Henry reports the run for the Fylgia from Bermuda to Hampton Roads to be three days.

Conditions in Important Cities

Place. Ther. H.T. Weather. Asheville, N. C. 80 94 Rain. Augusta 82 82 Clear. Atlanta, Ga. 82 88 Clear. Galveston, Tex. 81 88 Clear. Hattiesburg, N. C. 80 88 Clear. Jacksonville 80 80 Clear. New Orleans 82 92 Rain. Raleigh 75 80 Rain. Tampa, Fla. 82 90 Clear. Wilmington 76 82 Rain.

MINIATURE ALMANAC

Sun rises... 5:29 August 18, 1907. Sun sets... 6:59 HIGH TIDE. Moon sets... 12:54 Evening... 12:02

WILL ENTERTAIN ROYAL VISITOR

(Continued from First Page.)

distinctly Virginian throughout, and all of the delicacies for which the Old Dominion has long been famous.

Mrs. Swanson has invited a number of young Virginia girls to the dinner to-night. Lieutenant-Governor and Mrs. J. Taylor Elyson will attend the dinner. So will Mrs. Richard Evelyn Byrd, of Winchester, Va.

PROTECT YOURSELF

It is not what you earn but what you save that counts. More credit is due the thousand dollar man who saves than the five thousand man who does not.

Thoughts of feeble old age when working days have passed should be a strong force towards immediate preparation. Start an account now with any sum—one dollar if you like.

This Bank pays 3 per cent. interest on savings accounts, compounded semi-annually.

Planters National Bank, Savings Department, Richmond, - - Virginia.

Capital, - - - - - \$ 300,000.00 Surplus and Profits, - - - - - \$ 1,000,000.00