

The Daily Herald.

VOL XIII

FREDERICTON; N. B., FRIDAY, JULY 17, 1908.

NO. 165

MILLINERY SALE SHORTAGE \$18,653.17.

The balance of our Summer Millinery to be sold at half price.

SAILORS, TRIMMED HATS AND CHILDREN'S HEAD-WEAR

Miss Morgan
YORK STREET.

A FULL ASSORTMENT

Off Ladies' and Misses'

Trimmed and Untrimmed Hats

AT LOWEST PRICES

Miss M. E. Flanagan
COULTHARD BUILDING - - CARLETON STREET

HUYLERS CHOCOLATES

JUST RECEIVED

Finest Mixed 1lb Boxes	-	75c
Finest Mixed 1-2lb Boxes	-	40c
Toronto Creams 1 lb Boxes	-	60c
Toronto Creams 1-2 lb Boxes	-	30c
Cream Peppermints 1-2 Boxes	-	25c
Educational Chocolates 10 cents Packages	-	

GEO. Y. DIBBLEE

PEOPLES' DRUGGIST.

OPP. CITY HALL

Flies Carry Disease

Kill them off by using Fly Paper, Sticky and poisonous, Insect powder etc. You can get it at

WILEY'S YORK ST.

Chestnut
says.

"You are entitled to two comfortable feet. Why not resolve to have them? Scarcely any other minor trouble causes the discomfort and suffering that smarting, itching and burning feet do. These and a variety of other foot ailments are almost instantly relieved by "Foot Elm." Price, 25 cts. Mailed to any address on receipt of price."

"THE QUALITY STORE."
572 QUEEN STREET

RINGS

are our specialty.

Our Stock of Engagement, Friendship and Wedding Rings is al-

ways large and well assorted.

PRICES FROM \$1.00 to \$300.00

F. E. BLACKMER

Expert Accountant's Report on Late Mr. Flewelling's Accounts Reveals Remarkable Conditions

As Far Back as 1904 Defalcation was Over \$13,000

The report of the auditor appointed to investigate the accounts of the Crown Land Department was presented at a meeting of the government last evening. It shows that the late Deputy Surveyor General Flewelling had a deficit of \$18,653.17.

The report is as follows: The report on investigation into the Deputy Surveyor General's deficit. I beg to report that I have completed my investigation into the state of affairs between the Crown Land Department and the late Deputy Surveyor General, Mr. W. P. Flewelling, with a view to adjusting the amount due by the late deputy of the department.

The date of the late Deputy's death being the 4th of May, 1908, and the date the London Guarantee and Accident Company granted the bond being the 1st of July, 1904. I have prepared schedules which I append hereto. I will deal in the first place with the amount of the deficit on the 4th of May, 1908, which amounts to \$18,653.17, and which I arrive at in the following manner:

Schedule 1 shows the balance unexpended on the Accounts Current, \$7,767.14.

This being the balance of unexpended warrants the amount should be at the credit of the department in the Bank account but instead of that there is an overdraft which consequently has to be added of \$8,748.78.

Schedule 2 shows the cash collections and payments from 31st Oct. 1907 to 4th May 1908 and the territorial revenue due by the late deputy (after having credited him with certain amounts out of the cash found in his drawer with which he debited himself) amounting to \$2,137.45 making the

TOTAL AS ABOVE MENTIONED \$18,653.17.

I will pass back to the date when the London Guarantee and Accident issued the bond guaranteeing the government in respect to the late deputy's transactions, namely the first day of July 1904 when Mr. Flewelling's shortage appears to have been \$13,447.87.

This figure is arrived at in the following manner:

Schedule 3 shows a summary of the territorial revenue collected from 31st Oct., 1903, to 30th June, 1904, and payments made therefrom leaving a balance in the hands of the late deputy amounting to \$13,503.51.

Schedule 4 gives account from the period from 31st October, 1903, to 30th June, 1904 which shows an unexpended balance at June 30th, 1904 of \$4,338.39 and on the same date (30th June, 1904) I find that the sum at the credit of the deputy in the Bank of B. N. A. amounted to \$4,394.06. Therefore the difference which belongs to the territorial revenue account must be deducted from the above cash balance is \$55.67.

Making a deficit on 30th June, 1904 as mentioned \$13,447.84.

From the above figures it will be seen that the late deputy's deficit increased \$5,205.33 between the 1st of July, 1904 and 4th of May, 1908.

HOW IT WAS DONE.

The question will naturally present itself as to how the Deputy Surveyor General manipulated the funds. The general idea appears to have been that he drew checks for his personal use on the accounts with the Bank of B. N. A. but this is not so, as the personal checks drawn were very few and trifling in amount, while the deputy appears to have deposited his salary monthly with one or two exceptions, for a considerable number of years.

The method of manipulation was the retention of territorial revenue, such as stampage. These, instead of being paid over to the receiver-general as they came in, were retained and

in order that the accounts rendered to the receiver-general and auditor-general might be correct, cheques were drawn on the Bank of B. N. A. and handed to the receiver-general.

KEPT BOOKS OPEN.

Another question may arise as to how the amount of the deficit was carried over at the end of each year and I think this is a point where the accounting system of the government was seriously at fault, as had the books been promptly closed when the fiscal year was supposed to end, Mr. Flewelling's deficit could not have been carried over for the number of years it has been. On close investigation into this point, I find that it has been the practice to keep the books open for a month or more after the close of the fiscal year. After warrants covering the new year's services had been received by the crown land department, cheques were drawn on the bank account in favor of the receiver-general and the amounts were placed to the credit of territorial revenues in the receiver-general's books as having been paid prior to the close of the fiscal year. This is the principle on which the deficit has been carried over from year to year.

A further point which I think should have been noticed in the receiver-general's department was Mr. Flewelling's anxiety to obtain warrants which on several occasions he impliedly held for a few days and then endorsed over to the receiver-general's department in payment on account of territorial revenues.

Referring to the letter dated 3rd May, 1905, addressed to your premises by the late Mr. Flewelling, I desire to state that so far as I possibly could I verified the accounts which he rendered to the auditor-general and to the receiver-general from 31st October, 1903, to October 31st, 1907, and these accounts appear to be correct but the way in which he was able to make the payments necessary to make these accounts show the full amount of territorial revenues collected was by over-drawing his bank account at the British Bank.

With regard to the \$12,000 which the late Mr. Flewelling named as his shortage. This amount was probably figured thus: Bank overdraft on 4th May, 1908, \$8,748.78; balance of territorial revenue due \$2,137.25, making a total of \$10,886.03. But in doing so, the late deputy left out the account of the unexpended portions of warrants on 4th May, 1908, \$7,767.14, which makes it \$18,653.17.

DIDN'T PAY THE INTEREST.

The late deputy further stated that the overdraft had cost the province nothing as he had paid the interest, but this is not quite correct, as what he did was to make no entry in the book in which he kept the bank account where the bank charged the interest in the bank book. However, as all this has been taken to account in my investigation and in the schedules appended hereto, the late deputy has borne the interest and the province has therefore lost nothing when the shortage is paid up.

In conclusion, I think it right to point out that the surveyors general who held office during the time Mr. Flewelling acted as deputy should have acquainted themselves more fully with the position of the bank account, more especially after power to overdraw had been granted, and furthermore one cannot see the necessity of their having granted these overdrafts on the Bank of B. N. A., when the crown land department was a receiving and not a disbursing department, and should only have been making disbursements for services against which warrants were regularly being issued.

As no cash book could be found in the crown land department and as I had considerable difficulty in obtaining the information necessary for my investigation and on account of the crude system of bookkeeping in use, I had to get a considerable amount of information from the Bank of B. N. A., and from the receiver-general's department, and I desire to acknowledge assistance rendered me in this connection by Mr. O. H. Sharpe, manager of the Bank of B. N. A., in Fredericton, and by Mr. G. N. Bab-

"BOBS" AT QUEBEC

Gallant Old Hero Received with Great Acclaim on Landing at the Ancient Capital

QUEBEC, July 17.—(Special)—To the gentlemen.

There was a guard of honor of the British warships in the harbor, and the grand battery of the citadel, of which Earl Roberts is honorary colonel.

At 10.15 guns of the fleet began to fire and little picket boat glided up to the wharf.

Earl Roberts stepped out, and was immediately greeted by General Lake, who introduced him to the Admirals and Generals and other officers present, on the wharf.

As he landed, and as he walked down the gangway to land, cheers were given by those present. There were not fifty persons around the landing stage, probably because it had been announced that he would land from the Empress at C. P. R. wharf, but the Dufferin terrace was crowded, and hearty cheers greeted Lord Roberts as he stepped on the gangway.

The guard of honor immediately presented arms, while the regimental bands played the general salute. Lord Roberts himself gave the order to "slope arms."

hitt, deputy receiver general. Both these gentlemen have put themselves to a considerable amount of trouble in furnishing me with all the information asked for which it was in their power to give.

Respectfully submitted,
(Signed) ROBERT MILLER, Auditor.

The surveyor general states that Mr. Miller will submit a report on the Crown Land suspense account in the course of a few days.

THEFT AT MAUGERVILLE

The Sum of \$18 Stolen But Recovered by City Marshall Roberts

Mrs. Thomas Robinson, of Gibson, who owns a farm at Lower St. Marys, where she spends most of her time, was robbed of \$18 yesterday afternoon. She went down to the arm to attend to some work, and left her satchel containing \$18 in money, a diamond ring and a stick in one of the rooms of the house. When she started for home late in the afternoon she discovered that the money had been taken from the satchel. Her suspicions rested upon a youth named Ernest Shields, who had been doing some work about the place during the afternoon. Coming to the city she consulted her solicitor, Mr. A. J. Gregory, in reference to the matter, and at his suggestion City Marshall Roberts was sent to Maugerville to investigate. The City Marshall called on Shields at Maugerville, and though at first he denied all knowledge of the theft, in the end when threatened with the law he wined up and forked over the money. Mrs. Robinson decided not to prosecute the case.

GLAD HE'S COMING

Prince of Wales Replies to Earl Grey and His Advisers' Welcome Cable

Ottawa July 17.—On Tuesday last Lord Grey, on behalf of the government, cabled to the Prince of Wales prior to his departure for Canada, wishing him "bon voyage" and declaring that the people of Canada were eagerly looking forward to the arrival of his royal highness.

The following cable has been received in reply from the Prince:
London, July 15, 1908.—"Sincerely thank you and your ministers for telegram. I look forward with great pleasure to paying my sixth visit to Canada on such an important and auspicious occasion as the birthday of Quebec."

BOOM IN GOLD

HALIFAX, July 17.—(Special)—Nova Scotia anticipates a big boom this year in gold mining.

Mr. O'Brien, an Ontario capitalist has purchased large mining properties at Waverly and is now rushing work on the equipment at plant.

Other companies are displaying unusual activity.

WILL START TOMORROW

Gallant Seventy-firsters Off for the Quebec Tercentenary

A composite company from the 71st regiment, composed of forty-two non-commissioned officers besides the regimental band will leave here tomorrow morning for Quebec to take part in the tercentenary celebration. They are under orders to parade on the barracks square at 5.45 o'clock, and they will embark by the early C. P. R. train for McAdam Junction where they will be joined by the St. Stephen and Milltown detachments. From McAdam they will travel north by special train over the C. P. R. and Temiscouata Railways to River du Loup, and continue the journey to Point Levis by L. C. R.

Quartermaster Pungle, Sergt. Clarke and two men from the 71st regiment left for Quebec by last evening's train to take over the camp equipment.

The 71st has the distinction of being the only rural corps in the province to supply a band for the tercentenary celebration. The band will number twenty-six pieces, several St. Stephen players being added to the list.

Rev. Canon Montgomery of Springfield, is going to Quebec as chaplain to the New Brunswick contingent, and Lieut. T. M. Wright will go along to act as adjutant.

The troops have new uniforms and naval pattern caps, as well as helmets, and as the men have been carefully selected, the chances are that they will show up with the best of them. They will be absent about ten days, and will undoubtedly have a very enjoyable time of it.

Five members of C. Company of Stanley arrived by the L. C. R. at noon today to join the contingent. They are Corporal Harold Griffin and privates C. Kelly, Sydney Thomas, Thomas Craig, and George Bishop.

Following is a list of the members of the band:

Bandmaster—James White, Band organist, E. Davie.
Trumpeters—George Donovan, E. Ryan, George Chandler, Joseph Ryan.
Trombones—John S. Donovan, John White.
Baritone—D. McCatherine, William Jarvis.
Alto—W. Hanlon, A. O'Donnell, F. Burns, G. McCarthy.
Cornets—C. J. Tonar, J. McKenzie, M. Donovan, J. Martin, W. Anderson, Joseph Donovan.
Flutes—J. Christy, W. Parsons, F. Osborne, J. Graham, A. Mather, H. Wilson, J. Dewar.
E. Flat Clarinets—C. C. Betts, G. Gilman.
Piccolo—C. P. Edgcombe.
Battery—R. Stuart, G. Baxter, H. Batty.

Who got up those hanging gardens of Babylon?

Some King.
For what purpose?

I judge he wanted to outwit the neighbors' chickens.

Pupil (reading).—And his body was interred in St. Paul's Cathedral with er—er Pompey the Great.

Teacher.—With what? Are you mad?