Recalls Speech Of Year Ago
Mr. Gordy also recalled the last time he spoke before members of the Concord Club—about a year ago.

"That night," he said, "I tried to convey to you my general ideas of some of the needs and requirements of the State, and dealt especially with the matter of closer cooperation between the executive and legislative branches of our government: the necessity of a wider view of the State’s needs than is sometimes displayed in our legislative halls; that local interests should not predominate in matters of State-wide importance; that we should have an administration to succeed the present Republican one headed by some one familiar with the needs and requirements of the State; that a special effort should be directed for the benefit of the taxpayer and the general public, and not for the building up of a political machine to advance the personal political welfare of any aspirant to public office.

Shuns Political Leadership
"I want to repeat that I have no desire to be a political leader or build up a political machine for my own personal benefit.

"My desire is to administer the affairs of the State for the best interests of the people and the taxpayers without regard to my future, and I shall have no further ambitions, as I have repeatedly stated, that I am a candidate for one term, and one term only.

"Let me call your attention to the fact that the first and most important duty of a newly elected Governor is the preparation and submission of a financial budget to the Legislature. This budget will, in all probability, involve approximately $90,000,000 for the fiscal years 1940 and 1941.

Mentions His Experience
"Might I ask you, in all fairness to everybody concerned, who is in the best position to undertake this important work—one who, through years of study and association, is familiar with the needs and requirements of the various State departments, or one inexperienced in the operation of State-wide activities?

"I sometimes believe, and, as a matter of fact, I am convinced that the public pays too little regard to the importance of the appropriation of public funds.

"To me, this is too big a task to be entrusted to inexperience, and too important a matter to be placed in the hands of anyone who might have a desire to pay political debts and obligations through manipulation of the State budget."

Suggests Additions To Show
Diverging a bit from talk of budgetary matters, Mr. Gordy spoke briefly about "the troupe." Nearly every time one of the gubernatorial candidates appears to speak at a meeting, the other five are on the platform.

According to Mr. Gordy the six have to march around, one behind another, and sit in a row in front of the audience. Then they have to draw numbers to determine the order of speaking. To give the State a real treat, Mr. Gordy suggested drafting two other members for the troupe.

"One would be a most beautiful young lady," he explained. "The other would be another old banty like the rest of us. And when they joined up I would advertise from the hills of Allegany to the sands of Worcester that Snow White and the Seven Dwarfs were in town and for all to come out and look."
MAYOR DENIES
STATE EXCELS
IN BOOKKEEPING

Challenges Gordy's Criticism Of Municipal Accounting
Asks Why It Was Left To Byrd To Disclose Liquor Tax Surplus

State Comptroller William S. Gordy, Jr., fresh from lauding the accounting system he installed for the State's finances, was called upon today to explain why his department had to rely on Dr. H. C. Byrd, president of the University of Maryland, to point out to it a surplus of more than $300,000 in liquor levies last year.

The challenge came from Mayor Howard W. Jackson, who, like Mr. Gordy, is a candidate for the Democratic nomination for Governor.

Gordy Criticizes City System

Speaking at a meeting of the Concord Club last night, Mr. Gordy said that the municipal government in Baltimore was nine years behind the State in modernizing its bookkeeping methods.

The excellence of the municipality's accounting system has been one of the chief talking points in Mr. Jackson's campaign, and the Mayor was quick to defend it from the belittlement implied in Mr. Gordy's remarks. He said:

"I have no desire to say anything that would in any way reflect upon the integrity of Mr. Gordy or his bookkeeping system. I have no doubt that it is better than it was when Mr. Gordy became State Comptroller. In fact, Gov. Emerson C. Harrington when he was Comptroller also improved the system over what it was when he entered that office, I am informed."

Cites Various Methods

"As I have said before, Mr. Gordy is a good banker. But bank bookkeeping is the most simple of all forms of bookkeeping. Mr. Gordy's State system may qualify as a system of bookkeeping, but the State has no modern accounting system—cost accounting and controls over all departmental operations—as has the city of Baltimore."

"In fact, in Baltimore the city's system is so far ahead of the State's system that there is no comparison, to wit:"

"During the last session of the Legislature Mr. Gordy was asked why he had told Dr. Byrd about certain surplus funds. His reply, according to the newspapers, was that he didn't tell Dr. Byrd about the surpluses. He said Dr. Byrd told him."

"It is fair to assume, according to Mr. Gordy's records, that he didn't know there was a surplus."

U. Of M. Gets Half Million

The circumstance to which Mayor Jackson referred occurred while the University of Maryland was urging the Legislature for half a million in additional funds. The legislators said no funds were available. Dr. Byrd then surprised them with the announcement that an unreported surplus of $300,000 was in prospect from the State excise tax on liquor.

There had been no mention of this anticipated surplus from the Comptroller during extended discussions on the budget. Dr. Byrd said later that experts at the University of Maryland kept their own records of State finances and in this way learned of the impending surplus. Dr. Byrd got the appropriation he sought.

Mayor Jackson concluded his rejoinder to Mr. Gordy with a proposal to submit the accounting systems of the city and state to a comparative study by certified accountants. He suggested that the accountants to make such a study be selected by the Commission on Governmental Efficiency and Economy.
SEASONAL QUESTION

The great controversy between Mr. Gordy and Mayor Jackson as to whether the State has a better system of accounts than the city sounds a little like one of those rows which candidates start and pursue when the weather is warm and zeal for serious discussion is low. But since the subject has been opened up for debate, it may be pertinent to ask the debaters why neither the city nor the State publishes any statement which combines receipts and expenditures by the month in such a way as to permit the wayfaring man to see at a glance whether the city and the State are currently in the red or in the black.

Mr. Gordy’s office issues a voluminous monthly report of receipts and expenditures which is not usually more than a few weeks behind the calendar. The city issues monthly and quarterly statements of expenditures, which are usually not more than two months behind the calendar. But in neither case is there such a comparison of current revenue with expenditure chargeable to current revenue as will permit the reader to see just how the city or the State may be faring. In the long run the facts come out, but it is usually up to the men who write about such matters for the newspapers to put income and outgo together in such a way as to give an understandable picture of the public finances.

If the warm-weather mood continues and the candidates wish to extend the current debate, they might appropriately explain why this is so and what can be done about it.
Mr. Casey Writes A Letter Which Indicates That An Editorial Of Yesterday Was Less Than Fair To Mayor Jackson And The Commission On Efficiency And Economy

To the Editor of The Sun—Sir: It is a matter of common knowledge outside of Baltimore that the accounting system of Baltimore City is outstanding in the municipal field. This has been the case for some years. The present system was recommended and its work of installation began under the former Commission on Efficiency and Economy. Since then the present Commission on Governmental Efficiency and Economy has contributed to the improvement of the city’s accounting procedures and the system has been extended and further refined by the bureaus responsible for the city’s accounting policies and operations.

The first step in the improvement of the city’s accounting methods was the installation of the centralized Bureau of Disbursements and the centralized Bureau of Receipts. Through the operations of these two bureaus there are made available monthly statements of income and expense giving effect to all revenues available and covering all items of expense, including encumbrances.

City Budget Director Herbert C. Fallon has progressively developed and refined the methods of the Bureau of Disbursements and the monthly statements issued therefrom. In like manner City Collector Thomas G. Young has amplified the monthly statements of the Bureau of Receipts so as to give a complete and up-to-date monthly picture of revenues collected and to be collected.

The controls maintained in the Bureau of Disbursements upon expenditures made and to be made, together with the controls maintained in the Bureau of Receipts upon revenues collected and to be collected, enable the municipal administration at any time to know its income and outgo position.

On one page of the monthly statement of the Bureau of Control and Accounts there appears together a summary of all items of income and expense to date together with information as to the unencumbered balances in each appropriation account and the uncollected balances remaining in each revenue account. The monthly statement also reports the condition of loans funds, special funds and revolving funds in detail. These two bureaus are units of the system of general accounting which centers in the Bureau of Controls and Accounts. Here are controlled each budgetary account, special accounts, capital accounts, trust funds, property inventory, etc. This general accounting system embraces all units and all accounts of the municipal government and makes possible the construction of a complete balance sheet reflecting all transactions and accounts and covering all current assets and liabilities. It includes cost analysis which translates into dollars and cents of exact cost each operating detail as well as the activity of departmental units. This simplified budget making.

The accounting system which has been in successful operation for a number of years in Baltimore is often taken as a model for other governmental jurisdictions seeking improvements in the field of accounting.

William J. Casey, Chairman, Commission on Governmental Efficiency and Economy, Incorporated.
Baltimore, June 9.