

**PUBLIC DOCUMENT, NO. 5; THE
COMMONWEALTH OF
MASSACHUSETTS; REPORT OF
THE TREASURER AND RECEIVER-
GENERAL FOR THE YEAR ENDING
NOVEMBER 30, 1915**

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THE COMMONWEALTH OF MASSACHUSETTS

PUBLIC DOCUMENT, NO. 5; THE COMMONWEALTH OF MASSACHUSETTS; REPORT OF THE TREASURER AND RECEIVER- GENERAL FOR THE YEAR ENDING NOVEMBER 30, 1915

The Commonwealth of Massachusetts.

REPORT

OF THE

TREASURER AND RECEIVER-GENERAL

FOR THE

YEAR ENDING NOVEMBER 30, 1915.



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The Commonwealth of Massachusetts.

TREASURY DEPARTMENT, BOSTON, Dec. 1, 1915.

To the Honorable the Senate and the House of Representatives.

I have the honor to submit herewith the annual report of the treasury department for the year ending Nov. 30, 1915.

First, the cash transactions of the department are stated; and second, the public debt.

The cash transactions are divided into two headings:—

The revenue, which relates to the current receipts and payments for the ordinary running expenses; and

The funds, which deal with the receipts and payments for extraordinary purposes, for the metropolitan districts and for the trust deposits.

THE REVENUE.

| | |
|--|-----------------------|
| The net receipts to Dec. 1, 1915, for the ordinary running expenses of the departments of the Commonwealth for the past year, from taxes, licenses, etc., were | \$20,885,752 92 |
| The net payments for the running expenses of the departments of the Commonwealth were | 19,804,751 93 |
| <i>Excess of receipts over payments,</i> | <i>\$1,081,000 99</i> |

In addition to the above there was —

| | |
|----------------------------------|-----------------------|
| Cash on hand Dec. 1, 1915, | \$3,943,885 13 |
| Cash on hand Dec. 1, 1914, | 2,862,884 14 |
| <i>Increase in cash on hand,</i> | <i>\$1,081,000 99</i> |

THE FUNDS.

| | |
|--|-----------------------|
| The total receipts to Dec. 1, 1915, from institutions, sale of bonds, for permanent work, interest on sinking funds, etc., for the extraordinary purposes of the Commonwealth were | \$23,652,765 34 |
| The total payments for extraordinary expenses of the Commonwealth, including investments in sinking funds were | 20,884,385 65 |
| <i>Excess of receipts over payments,</i> | <i>\$2,768,379 69</i> |

In addition to this there was —

| | |
|----------------------------------|---------------------|
| Cash on hand Dec. 1, 1915, | \$7,980,515 85 |
| Cash on hand Dec. 1, 1914, | 5,212,136 16 |
| <i>Increase in cash on hand.</i> | <u>2,768,379 69</u> |

TOTAL CASH RECEIPTS AND PAYMENTS.

| | | | |
|----------------------------|------------------------|----------------------------|------------------------|
| Cash on hand Dec. 1, 1914, | \$8,075,020 30 | Payments, | \$40,689,137 58 |
| Receipts, | 44,538,518 26 | Cash on hand Dec. 1, 1915, | 11,924,400 98 |
| | <u>\$52,613,538 56</u> | | <u>\$52,613,538 56</u> |

THE PUBLIC DEBT.

For convenience, the debt of the Commonwealth, for which bonds have been issued, has two divisions: —

First, the direct debt, which is an obligation incurred for the benefit of the entire Commonwealth.

Second, the contingent debt, which, while a direct obligation of the Commonwealth, has been incurred for the benefit of 41 cities and towns in the vicinity of and including Boston, called the metropolitan district, for the construction of water, sewer and park systems. This is distinct from the direct debt of the Commonwealth, for the burden of its payment is provided for by annual assessments collected by the Commonwealth from the cities and towns comprising the metropolitan district.

Total Public Debt.

| | |
|---|------------------------|
| The total bonded indebtedness Dec. 1, 1915, was | \$125,793,412 00 |
| Less sinking funds, | 39,760,719 99 |
| Total net bonded debt, | <u>\$86,042,692 01</u> |

an increase during the year of \$1,341,089.90.

The debt is divided as follows: —

Direct Debt.

| | |
|--|-----------------|
| The gross direct debt, Dec. 1, 1915, was | \$49,682,458 32 |
| <i>an increase for the year of \$2,088,604.16.</i> | |

| | |
|---|---------------|
| The sinking funds for the same, Dec. 1, 1915, amounted to | 19,278,073 36 |
| <i>a decrease for the year of \$45,874.67.</i> | |

| | |
|---|------------------------|
| The net direct debt, Dec. 1, 1915, was | <u>\$30,404,384 96</u> |
| <i>an increase during the year of \$2,144,478.83.</i> | |

Contingent Debt.

| | |
|--|-----------------|
| The gross contingent debt, Dec. 1, 1915, was | \$76,110,963 68 |
| <i>an increase for the year of \$750,145.84.</i> | |
| The sinking funds for the same Dec. 1, 1915, amounted to | 20,472,646 63 |
| <i>an increase for the year of \$1,533,534.77.</i> | |
| The net contingent debt, Dec. 1, 1915, was | \$55,638,307 05 |
| <i>a decrease for the year of \$803,388.93.</i> | |

The average rate of interest paid by the Commonwealth on the entire bonded debt was 3.408+.

The average rate of income received from the earnings of the investments in the sinking funds, established for the payment of the debt, was 3.73104+.

The average yield of securities purchased during this year is 4.07.

Sinking Funds.

The sinking funds established for the payment of the direct debt have decreased as follows:—

| | |
|--|--------------|
| Decrease:— | |
| Payment of Medfield Insane Asylum sinking fund bonds, due April 1, 1915, | \$300,000 00 |
| Payment of State House sinking fund bonds, due April 1, 1915, | 548,060 00 |
| | <hr/> |
| | \$848,000 00 |
| Increase:— | |
| Appropriation by taxation, | \$14,408 00 |
| Earnings of funds, | 716,642 18 |
| Reimbursements, damages, street railway tax, etc., | 71,075 15 |
| | <hr/> |
| | 802,125 33 |
| Net decrease, | <hr/> |
| | \$45,874 67 |

The sinking funds established for the payment of the contingent debt have been increased as follows:—

| | |
|--|----------------|
| Assessments on metropolitan district, | \$564,034 40 |
| Earnings of funds, | 728,430 00 |
| Street railway tax, reimbursements, damages, etc., | 241,070 37 |
| | <hr/> |
| | \$1,533,534 77 |

Requirements for 1916.

The sinking fund requirements for the payment of the direct debt necessitate the following appropriation:—

| | |
|--|-------------|
| Metropolitan parks loan sinking fund, series two (one-half), | \$13,891 00 |
|--|-------------|

Serial Bonds.

| | | | |
|--|--|-------------|--------------|
| Abolition of grade crossings loan:— | | | |
| Due Nov. 1, 1916, | | | \$34,000 00 |
| Armory loan:— | | | |
| Due Sept. 1, 1916, | | | 62,000 00 |
| Development of port of Boston loan:— | | | |
| Due Aug. 1, 1916, | | | 175,000 00 |
| Harbor improvement loan:— | | | |
| Due Jan. 1, 1916, | | | 23,524 00 |
| Metropolitan parks, series two, loan:— | | | |
| Due Jan. 1, 1916, | | | 5,536 21 |
| Prisons and hospitals loan:— | | | |
| Due Nov. 1, 1916, | | | 92,000 00 |
| State highway loan:— | | | |
| Due April 1, 1916, | | \$48,500 00 | |
| Due Oct. 1, 1916, | | 266,500 00 | |
| | | | 315,000 00 |
| Soldiers' gratuity loan:— | | | |
| Due Aug. 1, 1916, | | | 48,000 00 |
| State House construction loan:— | | | |
| Due Oct. 1, 1916, | | | 40,000 00 |
| Suffolk County Court House loan:— | | | |
| Due March 1, 1916, | | \$4,000 00 | |
| Due Sept. 1, 1916, | | 6,333 33 | |
| | | | 10,333 33 |
| Total, | | | \$806,393 54 |

MASSACHUSETTS BONDS IN SINKING FUNDS.

At the present time there are in the sinking funds of the Commonwealth of Massachusetts bonds to the amount of \$15,990,862, an increase during the year of \$598,500.

TEMPORARY LOANS.

To pay the running expenses of the Commonwealth and the metropolitan districts, it is necessary to borrow money from time to time and to give the notes of the Commonwealth therefor.

Under authority of chapters 3 and 4 of the Acts of 1911 the Treasurer and Receiver-General has borrowed during the past year from various sources \$6,850,000, paying therefor an average rate of interest of 2.92 per cent. The total sum borrowed, together with interest amounting to \$123,190.62, has been paid.

COLLATERAL LEGACY AND SUCCESSION TAX.

During the fiscal year just closed there have been collected, under the provisions of chapter 425 of the Acts of the year 1891 and chapter 15 of the Revised Laws, collateral legacy taxes and interest to the amount of \$83,816.61.

The following table shows the receipts and expenses of collection of the collateral legacy and inheritance taxes, by years, since the original legacy tax statute (Acts of 1891, chapter 425) became operative (the expenses of collecting the inheritance tax is borne by the Tax Commissioner's department):—

| YEAR. | COLLATERAL LEGACY TAX. | | | INHERITANCE TAX. | |
|-------|------------------------|--------------|-------------|------------------|-------------|
| | Tax. | Interest. | Expenses. | Tax. | Interest. |
| 1892. | \$13,854 54 | — | \$74 40 | — | — |
| 1893. | 59,419 31 | — | 454 11 | — | — |
| 1894. | 239,368 55 | \$7,760 85 | 823 98 | — | — |
| 1895. | 419,177 11 | 11,679 40 | 1,638 20 | — | — |
| 1896. | 275,573 24 | 3,344 48 | 2,151 91 | — | — |
| 1897. | 501,360 42 | 6,791 85 | 1,090 00 | — | — |
| 1898. | 563,672 34 | 8,422 98 | 2,458 07 | — | — |
| 1899. | 478,758 93 | 6,103 50 | 2,369 92 | — | — |
| 1900. | 397,939 75 | 8,460 49 | 2,429 29 | — | — |
| 1901. | 506,093 10 | 8,043 87 | 2,316 47 | — | — |
| 1902. | 427,753 13 | 5,967 34 | 2,588 86 | — | — |
| 1903. | 506,146 88 | 12,479 09 | 2,875 83 | — | — |
| 1904. | 561,728 14 | 13,707 65 | 2,429 66 | — | — |
| 1905. | 694,180 69 | 12,374 79 | 2,919 95 | — | — |
| 1906. | 712,720 18 | 19,311 33 | 2,950 62 | — | — |
| 1907. | 772,499 25 | 23,576 04 | 3,738 92 | — | — |
| 1908. | 874,129 48 | 32,236 11 | 3,583 82 | \$357,529 46 | \$126 53 |
| 1909. | 539,791 55 | 23,927 81 | 2,734 79 | 908,134 42 | 551 98 |
| 1910. | 204,018 96 | 48,247 03 | 4,505 67 | 1,467,697 10 | 2,668 11 |
| 1911. | 184,610 08 | 55,476 72 | 4,423 17 | 2,029,225 13 | 6,649 27 |
| 1912. | 113,307 09 | 45,488 44 | 947 42 | 2,041,099 76 | 11,066 91 |
| 1913. | 71,128 26 | 11,268 11 | 66 95 | 2,283,674 12 | 13,966 65 |
| 1914. | 30,628 27 | 8,501 12 | 12 50 | 2,277,832 19 | 14,851 16 |
| 1915. | 78,656 77 | 5,159 84 | — | 3,204,177 32 | 18,313 89 |
| | \$9,226,513 02 | \$376,316 84 | \$50,484 51 | \$14,569,369 50 | \$68,194 50 |

TAXABLE PROPERTY.

The taxable property of the citizens of the Commonwealth of Massachusetts, as given by the Tax Commissioner of the Commonwealth, is as follows:—

Local Taxation.

| | |
|--|-----------------|
| Value of assessed real estate, | \$3,573,681,970 |
| Value of assessed personal estate, | 1,164,401,153 |

State Taxation.

| | |
|--|-------------|
| Value of corporate excess, public service, | 145,238,983 |
| Value of corporate excess, street railways, | 46,141,574 |
| Value of corporate excess, business corporations, | 373,375,633 |
| Value taxable deposits in savings banks, savings department of trust companies, and Massachusetts Hospital Life Insurance Company, | 771,442,628 |

\$6,074,281,951

SINKING AND TRUST FUND INVESTMENTS.

The administration of the sinking and trust funds of the Commonwealth is a problem which becomes more onerous each year. The wise provisions of the statute which in the early days provided a sufficient market is not true to-day. The Treasurer has met with the problem of obtaining a sufficient number of securities to fill up the sinking and trust funds, and the past few months have witnessed a dearth of investments which the statutes permit.

The standard of Massachusetts savings bank investments is recognized all over the world. I believe, therefore, that the Treasurer should be given an extended field of investment for the sinking and trust funds, which would not only provide sufficient securities but a larger earning power.

I would recommend that chapter 6, section 65, of the Revised Laws be amended so that funds over which the Commonwealth has exclusive control may be invested also in bonds and notes which are now legal investments of Massachusetts savings banks, under clause 2, section 68, chapter 590 of the Acts of 1908.

DEPUTY TREASURER AND RECEIVER-GENERAL.

Mr. Henry S. Bridge, Deputy Treasurer and Receiver-General, has been in the employ of the Commonwealth for thirty-three years, and under the retirement act would be obliged to leave the service on May 3, 1916.

During this long period he has rendered most faithful service, and every Treasurer under whom he had served testifies to his loyalty and efficiency.

These many years of devoted and meritorious work should not be unrecognized by the State, and the Treasurer has therefore submitted a bill to the Legislature which will extend his term. If the Legislature sees fit to pass this bill, it will be a well-merited recognition of a faithful public servant.

TECHNICAL EDUCATION FUND.

I desire to renew the recommendations of former Treasurers relative to the Massachusetts bond for \$219,000, held in the Technical Education Fund, which were as follows:—

Under the provisions of chapter 130 of the Acts of the United States Congress, approved Jan. 2, 1862, the proceeds of certain public lands were paid to the State of Massachusetts for educational purposes, section 4 of this act making the proviso that such money should be invested in a way to earn at least 5 per cent. The Legislature, by chapter 166 of the Acts of the year, 1863, accepted this grant.

This money was formerly invested in bonds paying 5 per cent. At the maturity of said bonds the fund was invested in municipal bonds, and by chapter 109 of the Acts of the year 1903, "the treasurer and receiver general is hereby authorized to pay annually into the Technical Educational Fund, United States Grant, such sum of money as may be necessary with the income of the fund to produce a sum equal to five per cent. interest per annum on the two hundred and nineteen thousand dollars in said fund." By chapter 121 of the Acts of the year 1907 the Legislature authorized the Treasurer and Receiver-General "to issue on account of the amount already authorized for prisons and hospitals, bonds to the amount of two hundred and nineteen thousand dollars, bearing date January first, nineteen hundred and seven, and payable to the Technical Education Fund, United