

**PUBLIC DOCUMENT NO. 5. THE
COMMONWEALTH OF
MASSACHUSETTS.
REPORT OF THE TREASURER AND
RECEIVER-GENERAL, PP. 1-203**

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MASSACHUSETTS TREASURY DEPT.

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The Commonwealth of Massachusetts.

TREASURY DEPARTMENT, BOSTON, DEC. 1, 1912.

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, 1912.

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, 1912, for the ordinary running expenses of the departments of the Commonwealth for the past year, from taxes, licenses, etc., were	\$15,842,163 66
The net payments for the running expenses of the departments of the Commonwealth were	15,760,351 07
<i>Excess of receipts over payments</i> ,	\$81,812 59

In addition to the above there was —

Cash on hand Dec. 1, 1912,	\$2,564,408 49
Cash on hand Dec. 1, 1911,	2,482,595 90
<i>Increase in cash on hand</i> ,	\$81,812 59

THE FUNDS.

The total receipts to Dec. 1, 1912, from institutions, sale of bonds for permanent work, interest on sinking funds, etc., for the extraordinary purposes of the Commonwealth were	\$17,776,975 69
The total payments for the extraordinary expenses of the Commonwealth, including investments in sinking funds, were	17,697,158 60
<i>Excess of receipts over payments</i> ,	\$79,817 09

In addition to this there was —

Cash on hand Dec. 1, 1912,	\$3,805,557 11
Cash on hand Dec. 1, 1911,	3,725,740 02
<i>Increase of cash on hand</i> ,	\$79,817 09

TOTAL CASH RECEIPTS AND PAYMENTS.

Cash on hand Dec. 1, 1911,	\$6,208,335 92	Payments,	\$47,892,827 23
Receipts,	48,054,458 90	Cash on hand Dec. 1, 1912,	6,369,965 60
Total,	\$54,262,792 82	Total,	\$54,262,792 82

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, 1912, was	\$117,480,662 00
Less sinking funds,	38,250,410 03
Total net bonded debt,	\$79,230,251 97

a decrease during the year of \$1,159,262.09.

The debt is divided as follows:—

Direct Debt.

The gross direct debt Dec. 1, 1912, was	\$43,112,583 38
<i>an increase for the year of \$1,192,166.66.</i>	
The sinking funds for the same, Dec. 1, 1912, amounted to	22,322,573 52
<i>an increase for the year of \$384,278.42.</i>	
The net debt Dec. 1, 1912, was	\$20,790,009 81
<i>an increase for the year of \$307,888.24.</i>	

Contingent Debt.

The gross contingent debt Dec. 1, 1912, was	\$74,368,078 67
<i>an increase for the year of \$54,333.34.</i>	
The sinking funds for the same, Dec. 1, 1912, were	15,927,826 51
<i>an increase for the year of \$1,521,483.67.</i>	
The net contingent debt Dec. 1, 1912, was	\$58,440,242 16
<i>a decrease for the year of \$1,467,150.33.</i>	

The average rate of interest paid by the Commonwealth on the entire bonded debt was 3.21.

The average rate of income received from the earnings of the investments in the sinking funds, established for the payment of the debt, was 3.66+.

Sinking Funds.

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

Appropriations by taxation,	\$267,913 00
Earnings of funds,	599,319 37
Sale of land, and unexpended balance of funds, etc.,	17,046 05
	<hr/>
	\$884,278 42

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

Assessments on metropolitan district,	\$925,600 58
Earnings of funds,	564,587 31
Street railway tax, etc.,	31,295 78
	<hr/>
	\$1,521,483 67

Requirements for 1913.

The sinking fund requirements for the payment of the direct debt necessitate appropriations in 1913 as follows: —

Armory loan sinking fund,	\$37,389 00
Medfield Insane Asylum loan sinking fund,	16,592 00
Metropolitan parks loan sinking fund, series two,	30,125 00
Prison and hospital loan sinking fund,	79,982 00
State highway loan sinking fund,	46,528 00
State House loan sinking fund,	59,440 00
	<hr/>
	\$270,056 00

These requirements are found by computing the present sinking funds, increased by their earnings, compounded at 3 per cent., semi-annually, to the maturity of the loan, and providing for the difference between that result and the total indebtedness by annual assessments.

Serial Bonds.

Abolition of grade crossings loan: —		
Due Nov. 1, 1913,		\$34,000 00
Armory loan: —		
Due March 1, 1913,	\$1,000 00	
Due Sept. 1, 1913,	16,000 00	
	<hr/>	17,000 00
Prison and hospital loan: —		
Due Nov. 1, 1913,		12,000 00
		<hr/>
Amounts carried forward,	\$63,000 00	\$270,056 00

<i>Amounts brought forward,</i>		\$63,000 00	\$270,056 00
State highway loan:—			
Due April 1, 1913,	\$48,500 00		
Due Oct. 1, 1913,	55,000 00		
		103,500 00	
Suffolk County Court House loan:—			
Due March 1, 1913,	\$4,000 00		
Due Sept. 1, 1913,	8,333 34		
		10,333 34	
			176,833 34
Total,			\$446,889 34

MASSACHUSETTS BONDS IN SINKING FUNDS.

At the present time there are in the sinking funds of the Commonwealth, Massachusetts bonds to the amount of \$14,788,662, an increase during the year of \$1,822,500.

BONDS AUTHORIZED.

The following issues of bonds have been authorized but have not as yet been issued. The required amount of bonds will be issued early in the year.

Abolition of grade crossings (annually up to \$5,000,000),	\$500,000 00
Armory,	394,000 00
Development of port of Boston,	9,000,000 00
Metropolitan parks,	125,000 00
Metropolitan parks, series two,	200,000 00
Metropolitan sewer, north system,	378,000 00
Metropolitan sewer, south system,	100,000 00
Metropolitan water,	902,000 00
Prisons and hospitals,	400,000 00
Soldiers' gratuity,	150,000 00
State highway,	1,545,000 00
	\$13,694,000 00

TEMPORARY LOANS.

To pay the running expenses of the Commonwealth and metropolitan districts, it is necessary to borrow money from time to time, and 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 \$8,725,000, paying therefor an average rate of interest of 3.05 per cent. The total sum borrowed, together with interest amounting to \$86,122.99, has been paid.

IN ANTICIPATION OF BOND ISSUES.

Under the provisions of chapter 123 of the Acts of 1910, the Treasurer and Receiver-General borrowed, on Aug. 15, 1912, payable March 1, 1913, with interest at 3½ per cent., \$25,000, in anticipation of the issue of metropolitan parks bonds, and \$150,000, in anticipation of the issue of soldiers' gratuity bonds; on Nov. 20, 1912, payable March 1, 1913, with interest at 4 per cent., \$170,000,

in anticipation of the issue of armory bonds; and on Dec. 4, 1912, payable March 1, 1913, with interest at 4 per cent., \$100,000, in anticipation of the issue of metropolitan sewer bonds, and \$100,000, in anticipation of the issue of the development of the port of Boston bonds.

The bonds authorized by this act will be issued and sold early in the year, which will provide the funds to meet these loans when they become due.

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 \$158,793.53.

All taxes due and unpaid under the laws above quoted were placed in the hands of the Attorney-General for collection on March 13, 1912.

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 expense 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	11,879 40	1,633 20	—	—
1896.	275,573 24	3,344 48	2,151 91	—	—
1897.	501,360 42	6,791 85	1,990 00	—	—
1898.	563,672 34	8,422 98	2,458 07	—	—
1899.	478,758 93	6,103 50	2,369 22	—	—
1900.	397,939 75	6,460 49	2,429 29	—	—
1901.	506,093 10	8,043 87	2,316 47	—	—
1902.	427,753 13	5,957 34	2,588 86	—	—
1903.	506,146 88	12,479 09	2,875 83	—	—
1904.	561,725 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	32,238 11	3,583 32	\$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 87	1,467,097 10	2,668 11
1911.	184,610 08	55,476 72	4,423 17	2,020,225 13	6,649 27
1912.	113,307 09	45,486 44	947 42	2,041,099 76	11,066 91
	\$9,046,099 72	\$351,387 77	\$50,405 06	\$6,803,686 87	\$21,062 80

TOTAL TAXABLE PROPERTY.

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

Taxable real estate.	\$3,216,714,460 00
Taxable personal estate.	2,262,565,233 00
Total taxable property.	\$5,479,279,693 00
Increase during the past year.	230,103,698 00

BANK DEPOSITORIES.

At the present time the funds of the Commonwealth are deposited in 137 banks and trust companies, the list of these depositories being approved by the Governor and Council quarterly, as required by law.

RETIREMENT OF CLERKS.

Mr. James C. Bond of Boston, who held the position of receiving teller in this department, resigned December 1 on account of his having accepted a position and removed to another State. Mr. Bond was appointed an employee of this department on Oct. 13, 1885, thus having given a little more than twenty-seven years of service to the Commonwealth.

Mr. Albert B. C. Deming of Newton, who holds the position of second clerk and bookkeeper in this department, being a veteran of the civil war, has at his own request been retired by His Excellency the Governor from the service of the State, the same to take effect Dec. 31, 1912. Mr. Deming was first appointed to a position in this department on June 1, 1895, thus having given seventeen and one-half years of service to the Commonwealth.

Both of these gentlemen were efficient and faithful clerks in their respective positions, and rendered valuable service to the Commonwealth.

IN MEMORIAM.

Miss Lucy P. Bridge of Medford, who held the position of third or interest clerk in this department, passed away on Nov. 11, 1912. Miss Bridge entered the employ of the Commonwealth on June 1, 1874, as a clerk in the office of the Tax Commissioner, and after nine and one-half years of service was on Jan. 1, 1884, appointed to a position in this department, thus making her term of service in the treasury nearly twenty-nine years and her service in the employ of the State approximately thirty-nine years.

Her position was one of great trust, she having charge of the securities and bonds and of making the calculations for the sinking fund requirements and metropolitan and other assessments, all very technical work. She gave herself unstintingly to the service of the Commonwealth during all of these years, and was a model of faithfulness and efficiency. In her death the State has lost an especially competent and faithful servant.

GRAFTON COLONY LOAN.

Chapter 679 of the Acts of the year 1912, entitled "An Act to provide for the construction of an asylum at the Grafton colony to supersede the Worcester State Asylum at Worcester," provides in lines 11 and 12 of section 5 that bonds sold for this purpose shall be designated on the face thereof as the Grafton Hospital Loan.

Bonds for all other loans of this nature are designated on the face "prisons and hospitals loan," and I think this act should be so amended as to provide in this case for the issuance of such bonds in conformity with the general law and practice.

EXPENSES INCIDENT UPON THE PREPARATION AND ADVERTISEMENT OF BOND SALES.

At the present time there is no special appropriation made by the Legislature for the necessary expenses of advertising bond sales or for the preparation of plates and printing of books for the issuance of bonds. These expenses were formerly paid from the sinking funds, but it seems to me that the expense of preparing serial bond books should not be charged to such funds. I believe, therefore, that the appropriation for treasurer's incidentals should either be increased sufficiently to cover these expenses where the bonds are issued for the direct debt of the Commonwealth, or that a special appropriation should be made for that purpose, and where the bonds are to be paid by assessment upon any of the metropolitan districts, that such expenses should be paid from the maintenance accounts of the districts.

DEPUTY TREASURER, ETC.

I believe that the Legislature should provide for the establishment in this department of the position of deputy treasurer. As the law now stands, in case of the absence of the Treasurer by reason of sickness, or for any other cause, there is no one who can sign bonds or other legal documents. I think that there is no department where the services of a deputy are more necessary than in the treasury department.

I also believe, in view of the great increase of the work of this department in the past years, and the changes made necessary in the duties of some clerks, that certain positions ought to be classed under different titles, and that there should be an increase in the salaries of some of the employees.

I therefore favor the passage of a law providing for the appointment of a deputy treasurer; that the position which is now known as second clerk or bookkeeper be classed as accountant; that the position of third or interest clerk be classed as bond clerk; that the position of assistant receiving teller be established; and that the following positions be abolished:—

	Per Year.
Chief clerk,	\$2,600
Second clerk or bookkeeper,	2,100
Third or interest clerk,	1,800
Bank messenger,	1,500
Legacy tax clerk,	1,900

I believe that the salary of the accountant should be fixed at \$2,500 a year; the salary of the cashier at \$2,500 a year; the salaries of both receiving and paying tellers at \$2,000 a year; and the salary of the assistant paying teller at \$1,500 a year.

A bill in accordance with these recommendations is submitted herewith.