

# SENATE . . . . No. 397

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## The Commonwealth of Massachusetts

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### ANNUAL REPORT OF THE TRUSTEES OF THE BOSTON METROPOLITAN DISTRICT, BOSTON, MASSACHUSETTS.

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BOSTON METROPOLITAN DISTRICT,  
20 SOMERSET STREET, BOSTON, May 9, 1932.

*To the Honorable Senate and House of Representatives in General Court  
assembled.*

In accordance with the provisions of section 2 of chapter 383 of the Acts of 1929, the Trustees of the Boston Metropolitan District submit their annual report.

#### RAPID TRANSIT.

By chapter 383 of the Acts of 1929 the territory within and the inhabitants of the following cities and towns, to wit, Arlington, Belmont, Boston, Brookline, Cambridge, Chelsea, Everett, Malden, Medford, Milton, Newton, Revere, Somerville and Watertown, were constituted a district or incorporated municipality, and, for the purposes of said act, made a body politic and corporate under the name of the Metropolitan Transit District. By Chapter 147 of the Acts of 1932, approved by the Governor April 8, 1932, the name of the Metropolitan Transit District was changed to the "Boston Metropolitan District". By the provisions of said

chapter 383, this district was constituted for the purpose of planning and financing rapid transit improvements in the metropolitan area served or to be served by the Boston Elevated Railway Company. The act vested the management of the affairs of the District in a board of five trustees, of whom four are appointed by the Governor and one by the Mayor of the city of Boston. Said chapter 383 also created the Boston Metropolitan Council, consisting of the Mayors and chairmen of the Boards of Selectmen of all the cities and towns of the District.

By said chapter 383 it was directed that the Trustees "shall consider and investigate relative to the construction of new subways, tunnels and rapid transit routes, and alterations, additions and extensions of existing routes in the metropolitan district and of works incidental thereto;" that the Trustees "shall also investigate relative to the most equitable methods of financing such improvements and of apportioning the cost thereof;" that the Trustees "shall consider the question of acquiring the Chelsea Division of the Eastern Massachusetts Street Railway and shall negotiate with the owners of the property of said division relative to the terms and conditions under which it may be acquired;" and, finally, that the Trustees "shall submit their findings and recommendations in relation to the foregoing matters to the council, and the council, upon approval thereof by a two-thirds vote of its entire membership, shall submit the same to the General Court."

During the first year after organization the Trustees gave diligent attention to this duty imposed upon them. They made a comprehensive study of the rapid transit problem of the metropolitan community, receiving the active help of the Transit Department of the city of Boston, the Division of Metropolitan Planning, and the Boston Elevated Railway Company. The results of this work were embodied in a report to the Boston Metropolitan Council under date of December 12, 1930, published in Senate Document No. 415 of 1931.

In that report the Trustees recommended that the

Council petition for legislation granting to the District authority to construct two new rapid transit routes, the routes being designated as Route 1 and Route 2.

*Route 1.*

Route 1 should begin at or near the junction of South Huntington and Huntington avenues and follow the general line of Huntington Avenue to Stuart Street, thence along Stuart Street to Columbus Avenue, thence along Columbus Avenue and under the Common to a new station to be constructed near the present Park Street Station, thence under Beacon Hill to a connection with the East Boston Tunnel at Bowdoin Square, thence via the present East Boston Tunnel to Maverick Square, and thence by new construction to a terminal at or near Day Square, East Boston, with provision for a future connection with the Boston, Revere Beach & Lynn Railroad.

*Route 2.*

Route 2 should begin in the Brighton section of the city west of Harvard Avenue and in general follow the line of Commonwealth Avenue to Governor Square, thence via the present Boylston Street and Tremont Street subways to a point on Canal Street near the North Station, thence via the present elevated structure and viaduct to Lechmere Square, and thence by new construction along the general line of the Boston & Maine railroad through Winter Hill and Davis Square to a terminal in North Cambridge or Arlington.

At a meeting of the Boston Metropolitan Council held on December 22, 1930, the findings and recommendations of the Trustees contained in its report to that body were approved. The Trustees were directed by the Council to prepare drafts of legislation to carry out the recommendations embodied in the report. The Trustees held many meetings on this matter and submitted to the Council such proposed legislation. At a meeting on March 13, 1931, the Council decided that it was unwise to submit any bills covering the recommendations until

such time as the Commonwealth definitely determined upon the future status of the Boston Elevated Railway Company.

At a meeting of the Boston Metropolitan Council held on January 13, 1932, this whole matter of rapid transit improvements came up for further consideration. The question of petitioning the Legislature for authorization to construct rapid transit improvements was further postponed until such time as the course of the present severe financial depression could be more clearly determined. No further action has been taken since that date.

The Trustees are now of the opinion that parts of these routes can be constructed without eventual waste. Certain sections can be built which will give great improvement in rapid transit facilities and these sections can eventually be incorporated in a complete route, when constructed. Studies along this line are now being undertaken, and the results will be submitted to the Boston Metropolitan Council for action prior to the next session of the Legislature.

#### CHELSEA DIVISION.

By chapter 383 of the Acts of 1929 the Trustees were directed to consider the question of acquiring the Chelsea Division of the Eastern Massachusetts Street Railway Company. In their report to the Metropolitan Transit Council dated December 12, 1930, the Trustees recommended that the District be authorized to acquire the Chelsea Division either by purchase or, if fair terms could not be negotiated, then by eminent domain, under the provisions of chapter 80A of the General Laws. Action on this recommendation was deferred by the Council as in the case of other rapid transit improvements.

After this recommendation was made, the Legislature passed chapter 333 of the Acts of 1931, under which the Boston Elevated Railway Company was authorized to issue its bonds to an amount not exceeding \$30,000,000 for the retirement of the preferred stocks of the company.

The total amount of bonds required to be issued by the Elevated for the purpose of retiring the preferred stocks is \$23,430,917. There is, therefore, authority for the Elevated to issue something more than \$6,000,000 worth of bonds, provided the Legislature amends the provisions as to the use of the proceeds of said bonds.

Bonds issued under the provisions of section 4 of chapter 333 are to be purchased by the Boston Metropolitan District under the provisions of section 5 of said act, which authorizes the District to issue its notes and bonds to purchase the bonds of the Elevated. Section 6 provides a special compensation tax in any year when the interest received from the Elevated does not exceed the interest paid by the District by at least 2 per cent per annum. Appropriate amendments as to the use which the Elevated can make of the proceeds of its bonds would make it possible to finance the purchase of the Chelsea Division under the provisions of said chapter 333.

As all of the other surface lines are now owned by the company, the Trustees believe that there should not be a divided ownership in property upon which the charges for maintenance and depreciation are large. The Trustees were always reluctant that the District should directly acquire the Chelsea Division on account of the difficulties in handling this phase of the problem, but made their previous recommendation because they saw no other solution at that time which would correct the situation.

Members of the Board of Trustees this year pointed out to the Committee on Metropolitan Affairs that the Boston Elevated Railway Company might well be authorized to issue its own bonds, under the provisions of chapter 333, to acquire the Chelsea Division and incorporate it in its system, provided, however, that no contract for purchase should be valid unless approved by a two-thirds vote of the Boston Metropolitan Council. The Council is made up of the Mayors and chairmen of the Boards of Selectmen, who are responsible for the tax rate, and they are the body who should properly

weigh the chances of increased Elevated deficit before the Chelsea Division is acquired by the Elevated. It was also pointed out that the Legislature might well impose such limits as seemed to them wise upon the amount of bonds to be issued for this purpose. Such a bill has been this year reported favorably by the Committee on Metropolitan Affairs and is now under consideration in the Legislature. Whether or not it is adopted this year, such a bill seems to the Trustees to provide the proper mechanics for handling this situation.

The Trustees reiterate their previously expressed opinion that the double fare in Chelsea and Revere is unfair and unjust, and works a serious hardship not only upon these cities, but also prevents the residents of other parts of the metropolitan area making the fullest use of the large investment which the metropolitan district has made in Revere Beach. Public opinion will sooner or later require the correction of this situation, and it is important that the machinery should be set up so that it may be done in an orderly and economical manner.

#### RETIREMENT OF PREFERRED STOCKS OF THE BOSTON ELEVATED RAILWAY COMPANY.

Chapter 333 of the Acts of 1931, approved by the Governor on May 19, 1931, extended public control of the Elevated for twenty-eight years, and provided for the reduction of its common stock dividend to 5 per cent, and the retirement of its preferred stocks. By said chapter 333 the Trustees of the District were required to issue and sell notes and bonds of the District to purchase 6 per cent bonds of the Elevated to provide it with funds for the retirement of its preferred stocks.

As soon as said chapter 333 became law, the Trustees prepared estimates of the amount by which the current expenses of the District would be increased by the new duties imposed upon them by said chapter, and filed the following certificate with the State Treasurer:

JUNE 10, 1931.

HONORABLE CHARLES F. HURLEY, *State Treasurer, State House, Boston, Mass.*

DEAR SIR:— In compliance with the provisions of section 12 of chapter 383 of the Acts of 1929, the Trustees of the Metropolitan Transit District hereby certify to you as State Treasurer that the estimated amount required for the current expenses of the District for the ensuing year, beginning on July 1, 1931, is \$35,000, and said Trustees also certify that the amount required to meet the lawful obligations of the District for which payment is not otherwise provided is \$5,000.

TRUSTEES OF THE  
METROPOLITAN TRANSIT DISTRICT.

EDWARD L. LOGAN, *Chairman.*  
HENRY I. HARRIMAN, *Vice-Chairman.*  
ROSCOE WALSWORTH.  
JOSEPH WIGGIN, *Treasurer.*  
ROBERT J. BOTTOMLY, *Clerk.*

This certificate was accompanied with the following explanatory letter:

JUNE 10, 1931.

HONORABLE CHARLES F. HURLEY, *State Treasurer, State House, Boston, Mass.*

DEAR SIR:— The Trustees of the Metropolitan Transit District are transmitting to you herewith their certification of the estimated amount required for the current expenses of the District for the ensuing year, and also the amount required to meet any lawful obligations of the District at present outstanding, in the total sum of \$40,000. This is done in accordance with the provisions of section 12 of chapter 383 of the Acts of 1929.

If chapter 333 of the Acts of 1931 is accepted by the stockholders of the Boston Elevated Railway Company, it provides that the Trustees of the Metropolitan Transit District shall issue bonds in an amount not to exceed \$30,000,000 for the purpose of purchasing the bonds of the Boston Elevated Railway Company therein authorized, the proceeds of which are to be used to retire the preferred stocks of the Boston Elevated Railway Company. Section 5 of chapter 333 of the Acts of 1931 provides that this issue of bonds of the Metropolitan Transit District shall be done under and in the manner provided in section 10 of chapter 383 of the Acts of 1929, and that the provisions of said section shall apply thereto in the same manner and to the same extent as if such notes and bonds were specifically authorized in said chapter. Section 10 of chapter 383 of the Acts of 1929

provides that expenses incurred in connection with the issue of bonds shall constitute a part of the current expenses of the District.

It is expected that, if chapter 333 of the Acts of 1931 is accepted by the stockholders of the Boston Elevated Railway, the Trustees of the Metropolitan Transit District will be required to issue bonds of the District in the amount of about \$25,000,000. It is estimated that the expenses which will be incurred in connection with this issue will be approximately \$35,000. This estimate includes advertising, preparation, engraving and printing of bonds, certification thereof, the collection and disbursement of interest, the management of the sinking fund, together with necessary legal expense in passing upon the validity of the bonds of the Boston Elevated Railway Company sold to the District, and the bonds of the Metropolitan Transit District sold to the public.

Inasmuch as section 12 of chapter 383 of the Acts of 1929 provides that the certification of the estimated current expenses of the District for the ensuing year, beginning July 1, shall be made on or before June 15, the Trustees have deemed it necessary to certify the entire amount estimated to be required if the stockholders of the Boston Elevated Railway Company accept chapter 333 of the Acts of 1931. If for any reason the stockholders of the Boston Elevated Railway Company should not accept chapter 333 of the Acts of 1931, the Trustees will notify you of the action of said stockholders and confer with you as to the possible withdrawal, from your apportionment to the several cities and towns included in the District, of the amount certified by the Trustees for the purpose of carrying out the provisions of said act.

Respectfully yours,

TRUSTEES OF THE  
METROPOLITAN TRANSIT DISTRICT.

By EDWARD L. LOGAN, *Chairman.*

The stockholders of the Elevated on June 30, 1931, voted to accept said chapter 333. The Trustees of the District at once set about to arrange the District's financing required by said chapter. They first planned to issue serial bonds in amounts which would be met by the interest and special compensation tax (under section 6 of said chapter 333) to be paid to the District by the Elevated. Immediately the question arose as to whether deposits of savings banks and savings departments of trust companies invested in such bonds would be exempt from the savings bank tax. The Commissioner of Taxa-

tion ruled that such deposits would not be exempt, thus making the bonds in effect taxable to savings banks and departments at the rate of one-half of 1 per cent on the principal per annum. This ruling largely eliminated the savings banks and savings departments of trust companies in this State as possible purchasers of the bonds.

The Trustees concluded that this would have a substantially adverse effect upon the proposed sale of bonds. After investigation they found that the general market for long-term securities was not at the time satisfactory, while the market for short-term securities was unusually good. The Trustees decided to issue short-term notes, believing that before the notes came due the Legislature would probably make the District's securities wholly tax exempt to savings banks, as originally intended.

The Trustees consequently decided to secure temporary financing, advertised for bids for notes, and, on receiving bids on August 8, 1931, sold to the lowest bidder notes in the amount of \$21,000,000. These notes were dated August 14, 1931, to mature April 14, 1932, with interest at the rate of  $2\frac{3}{4}$  per cent per annum. For the notes the District received \$21,000,000, plus a premium of \$2,500.

From this money the Trustees paid \$21,000,000 to the Elevated to purchase its 6 per cent forty-year bond of that amount, as required by said chapter 333, and the Elevated used said amount to retire its preferred stock, which it called for redemption on August 18, 1931.

By acting as aforesaid, the Trustees enabled the Elevated to repay to the cities and towns in the District the remaining balance of over \$1,400,000 of the Elevated's deficit, which the cities and towns had advanced under the original public control act. This payment correspondingly reduced the tax rates of the cities and towns receiving it.

These payments were made in accordance with the provisions of section 23 of said chapter 333. The amounts thus repaid to the several cities and towns were as follows:

Boston . . . . .	\$1,020,442 57
Cambridge . . . . .	137,719 32
Somerville . . . . .	59,555 34
Brookline . . . . .	36,220 52
Medford . . . . .	29,029 76
Malden . . . . .	27,127 62
Everett . . . . .	26,635 41
Watertown . . . . .	20,014 21
Arlington . . . . .	15,777 23
Chelsea . . . . .	14,409 53
Newton . . . . .	13,215 27
Belmont . . . . .	9,106 57
Total . . . . .	\$1,409,253 35

The amount required to pay for the complete retirement of all the preferred stock of the Elevated has been certified to the Trustees to be \$23,430,907. The \$21,000,-000 deposited on or about August 14, 1931, to retire such stock became depleted in September, and on September 14 the Trustees of the District sold at par, plus a premium of \$238 and accrued interest, \$2,000,000 additional of notes identical in terms with those previously sold. The Trustees paid to the Elevated \$2,000,000 additional for the purchase of its forty-year 6 per cent bond in that amount.

In November of 1931 the Legislature passed chapter 464 of the Acts of 1931, making it clear that deposits of savings banks and savings departments of trust companies invested in the District's securities would not be subject to taxation in Massachusetts.

Since September of 1931 this country has experienced a severe financial and business depression, which has not passed. Banks have failed. Many banks, including savings banks, have met such demands for cash as to deplete the funds which ordinarily would have been available for investment. The securities markets, including the market for such conservative investments as high-grade municipal and government bonds, have sharply declined, and have been subject to more marked fluctuations than for many years.

In particular, the market for municipal and govern-

mental securities was in a very depressed condition in December, and continued so until late February of 1932. During this period several local towns and cities of sound financial condition had great difficulty in selling tax notes on any terms.

In January of this year the Trustees took up the question of refunding the \$23,000,000 of notes issued last year. They found it impossible then to raise \$23,000,000 on the District's securities. Bankers were reluctant to discuss terms for the District's necessary financing, since conditions were so unsettled, but advised that in their opinion conditions were improving and would improve, and that the Trustees should wait until at least the middle of March before seriously undertaking to sell either notes or bonds. The Trustees from time to time in January, February and March, in an endeavor to obtain reasonable terms for either notes or long-term bonds, continued to urge different bankers to state what they would buy.

Suggestions of the bankers established that it would be advantageous to sell at a discount securities bearing a lower interest rate than they otherwise would. Investors prefer to buy securities below par and not to have to consider writing off a premium. In this case it also seemed that in all probability, for the next few years the special compensation tax on the Elevated (payable in the first instance by the Elevated, — *i.e.*, the car riders) would as a matter of fact be passed on to the taxpayers by being added to the Elevated's deficit, which they have to pay. This tax is based on the amount of interest paid by the District. Without new legislation, any discount would have to be treated as interest paid in advance, thus increasing the tax. If bonds were sold at par, the coupon rate would be higher, likewise increasing the tax. Legislation to permit a sale at a discount and refund at par thus would reduce the tax, which means lower Elevated deficits and less charges on the taxpayers for the next few years.

The Trustees also considered that if they could sell

bonds callable at a reasonable figure they might, by later calling them when conditions were more normal, be able to save substantial amounts which would reflect to the benefit of the taxpayers of the District. They further understood that it would help in selling their securities if the name of the District were changed to the present name, Boston Metropolitan District.

Consequently the Trustees prepared legislation to cover the points mentioned, and requested the Governor to introduce it. The Governor on March 23 sent to the Legislature a special message on the subject introducing and recommending the adoption of House Bill No. 1280. This bill was somewhat delayed in its passage, but was enacted and signed on April 8, 1932, as chapter 147 of the Acts of 1932.

About March 15 the market for municipal securities having somewhat improved, the Trustees further undertook with different bankers to arrange a temporary borrowing. It became apparent, however, that they might have to sell long-term bonds, and that such bonds would have to bear a comparatively high rate of interest.

On March 28 they received a tentative offer for 5 per cent bonds, non-callable, at a discount which would make the net interest rate  $5\frac{1}{4}$  per cent, which offer expired while the proposed legislation was pending.

On April 4 they received a firm offer to buy long-term bonds on a 5.20 per cent interest basis, such bonds to be 5 per cent or  $4\frac{3}{4}$  per cent bonds, to be sold at a discount and to be callable at 105 after eight years. The bidders stated that such offer could not long be held open because of the fluctuating condition of the security markets. After consideration the Trustees rejected the offer because they felt it worth while to try again to get short-term money, as well as because the enabling legislation had not been adopted, and at once they advertised for bids for temporary money to be obtained by the sale of one year or one-to-five-year notes, bids to be opened at noon, April 8, and the notes to be delivered April 13.

The advertisement for such notes was published the next morning in the "Boston Herald," "Boston Ameri-

can," "Boston Globe," "Boston Post," "New York Times" and "Chicago Tribune," and that evening in the "Boston Transcript," the "Bond Buyer" and the "Boston News Bureau." In addition, approximately 150 copies of the advertisement, together with a circular descriptive of the issue, were sent to all the important banking houses, banks and insurance companies, which the Trustees deemed would be likely to be interested in bidding for the notes.

The following day many more circulars were distributed on request from various people, principally banking houses.

At the time for opening of bids at noon on April 8 no bids were received. Several representatives of banking houses and others were present. Representatives of a syndicate comprising Chase, Harris Forbes Corporation, Guaranty Company of New York, National City Company, Bankers Trust Company, the First National-Old Colony Corporation, Shawmut Corporation and others informally reported that they would be interested in buying, at prices averaging 94.57, \$3,201,000 of 4½ per cent bonds maturing serially 1933-1939, inclusive, and \$20,799,000 of 4¾ per cent bonds maturing serially 1940-1966, inclusive, the latter bonds to be callable in 1940 and thereafter at 105 in the inverse order of maturities, but that this offer could not long be held open because the financial situation was unsettled. They added that if the offer lapsed but conditions remained the same they would be willing on Monday, April 11, to renew the offer.

The Trustees decided and stated that the offer could not be then even considered, among other things because it was based on a sale at a discount (and the new act had not then become law) and because approval of the Department of Public Utilities was necessary. Nothing was stated as to whether the offer would otherwise be satisfactory or not.

On Monday, April 11, the matter was again taken up. The syndicate suggested that if the Trustees desired, they would try to sell the bonds for the District's account

to net the District a slightly higher price, but without responsibility to effect the sale of all the bonds. This the Trustees deemed unsatisfactory because it did not guarantee that the District would get the money, and thus even though practically all the bonds might be sold, the District might be unable to meet its notes coming due April 14. On Tuesday, April 12, the negotiations were continued.

No long-term municipal security issues of the size of the proposed issue had been sold for some time. This issue was so large that it was estimated that a substantial part of it would have to be placed outside Massachusetts, where it was not locally tax exempt. This necessitated a higher net interest rate than on a comparatively small issue of the District, which could be distributed locally.

On April 8, when no bids for short-term money were received, it became clear that the District would be compelled to issue long-term securities to refund its outstanding notes. The issuance of long-term securities required the approval of the Department of Public Utilities. Section 10 of chapter 383 of the Acts of 1929 provides that bonds of the District "shall be for such terms not exceeding sixty years and shall bear interest payable semi-annually at such rates as said trustees, subject to the approval of the department of public utilities, shall from time to time determine." Therefore, on April 8, the Trustees informed the Department of Public Utilities of the situation. On April 11 the Trustees filed with the Department of Public Utilities a request for their approval of the sale of  $4\frac{1}{2}$  per cent and  $4\frac{3}{4}$  per cent bonds of the Boston Metropolitan District at such prices as said Department of Public Utilities might approve. The Department advertised a public hearing for twelve o'clock noon on Wednesday, April 13, 1932.

During all the negotiations the Trustees never received a firm offer which did not expire the same day upon which it was made. The banking syndicate renewed its offer of April 11 on the morning of both April 12 and April 13. The offer submitted to the Department of

Public Utilities for approval at the public hearing at twelve o'clock on April 13 stated on its face that it expired at 2.30 P.M. on the same day. This offer was from the same syndicate headed by the Chase, Harris Forbes Corporation for the purchase, at prices averaging 94.57, \$3,145,000 of 4½ per cent bonds, maturing serially 1933-1939, inclusive, and \$20,855,000 of 4¾ per cent bonds, maturing serially 1940-1966, inclusive, the latter bonds to be callable in 1940 and thereafter at 105 in the inverse order of maturities.

The Trustees of the Boston Metropolitan District submitted this offer to the Department of Public Utilities for approval with great reluctance. The Trustees stated that it was the best offer that they had been able to obtain and the only one now available, and that they had therefore voted to accept the offer, believing it preferable to default. The notes of the Metropolitan Transit District in the amount of \$23,000,000 were payable on April 14, 1932. The Trustees were unwilling to take the responsibility of departing from the principle that the political subdivisions of this Commonwealth should pay their lawful obligations on the day when due.

The Department of Public Utilities did not give their approval to the proposed bond issue. The Boston Metropolitan District was therefore unable to pay the \$23,000,000 of its outstanding notes on April 14, 1932. On April 14 the Trustees met and voted that the District pay the interest due that day on the outstanding notes to any holders who so requested it, and that from April 14 interest should run on the overdue notes at the rate of 6 per cent per annum.

Conferences with the Department of Public Utilities and the banking syndicate were thereafter continued from day to day. On April 21 the Trustees received an offer from the same banking syndicate for a bond issue in the amount of \$24,000,000 upon the same terms as to interest rate, maturities and price, but with the provision that the bonds should be callable on March 1, 1937, or any interest date thereafter, at 102½. The

Trustees voted to accept this offer, and it received the approval of the Department of Public Utilities on the same day. The Trustees proceeded forthwith to prepare temporary bonds which were duly signed and delivered to the bankers, and paid for on April 26, 1932, on which day the Boston Metropolitan District paid its outstanding notes in the amount of \$23,000,000.

The extremely depressed financial situation made necessary the payment of higher interest rates than were estimated when chapter 333 of the Acts of 1931 was passed. It should be pointed out, however, that the retirement of the preferred stocks with the resulting saving in interest and taxes reduced the fixed charges of the Elevated during the past year by over \$1,000,000. The higher interest rate on the outstanding bond issue will require the Elevated for some years to pay a special compensation tax provided in section 6 of said chapter 333. In no year, however, will the net saving in fixed charges resulting from the passage of said chapter 333 be less than \$800,000.

#### CHARLESTOWN ELEVATED STRUCTURE.

Chapter 65 of the Resolves of 1931 provided for an investigation by the Trustees of the Metropolitan Transit District relative to the advisability of extending the Washington Street tunnel in the city of Boston to Sullivan Square in the Charlestown district of said city, and removing the Elevated structure from Main Street in said Charlestown district. A public hearing was held by the Trustees on October 15, 1931, at which all interested persons were given an opportunity to be heard. This investigation has been completed and the findings and recommendations of the Trustees in relation thereto have been submitted to the Boston Metropolitan Council as provided in said resolve.

#### BOSTON METROPOLITAN COUNCIL.

The following votes were passed at a meeting of the Metropolitan Transit Council held in the office of the

Mayor of Boston, City Hall, Boston, Massachusetts, on January 13, 1932:

*Voted:* That the following officers of the Council be chosen — Chairman, Hon. James M. Curley, Mayor of Boston; Secretary, Hon. Michael C. O'Neill, Mayor of Everett; Assistant Secretary, Edward W. Harnden. (Unanimous.)

*Voted:* That an amendment to the act, chapter 383 of the Acts of 1929, be drafted and filed with the Legislature authorizing the Metropolitan Transit Council to incur certain necessary expenses. (Unanimous.)

*Voted:* That an amendment to the act, chapter 383 of the Acts of 1929, be drafted and filed with the Legislature providing for the appointment of a Vice-Chairman of the Metropolitan Transit Council.

JAMES M. CURLEY,  
*Chairman Metropolitan Transit Council.*

MICHAEL C. O'NEILL,  
*Secretary Metropolitan Transit Council.*

#### REPORT OF TREASURER.

The Treasurer of the Boston Metropolitan District has at all times kept accurate accounts of all expenditures of the funds of the District, and his report to the Trustees, containing an abstract of such accounts, is submitted herewith:

#### *Summary of Treasurer's Report, 1931.*

##### CURRENT ACCOUNT.

##### *Receipts.*

Balance on hand Jan. 1, 1931, United States Trust Co. . . . .	\$110 61
Two loans of \$5,000 each from U. S. Trust Co. on notes of District . . . . .	10,000 00
Assessment from cities and towns under section 12, chapter 383 of the Acts of 1929 . . . . .	40,000 00
Interest on deposit in United States Trust Co. . . . .	5 71
Total . . . . .	<hr/> \$50,116 32

*Disbursements.*

Rent at \$100 a month from Jan. 1, 1931, to Jan. 1, 1932 . . . . .	\$1,200 00	
Miss Conroy for part-time services from Jan. 1, 1931, to Jan. 1, 1932, at \$25 a month . . . . .	300 00	
Electric light bill, 1 month . . . . .	3 45	
Premium on Treasurer's bond of \$5,000 . . . . .	12 50	
Rent of safe deposit box . . . . .	10 00	
Salary of Assistant Treasurer, Aug. 1, 1931, to Jan. 1, 1932, at \$250 a month . . . . .	1,250 00	
Discount on loans from U. S. Trust Co. . . . .	286 88	
United States Trust Co. <i>re</i> notes of District:		
March 27, 1930, note . . . . .	\$2,500 00	
Jan. 2, 1931, note . . . . .	5,000 00	
Sept. 23, 1931, note . . . . .	5,000 00	
	<hr/>	12,500 00
Expenses <i>re</i> note issues:		
Advertising . . . . .	\$956 46	
National Shawmut Bank, certifying issue of \$23,000,000 in notes . . . . .	1,050 00	
Ropes, Gray, Boyden & Perkins, legal services:		
<i>Re</i> \$21,000,000 issue . . . . .	2,500 00	
<i>Re</i> \$2,000,000 issue . . . . .	751 00	
<i>Re</i> qualifying notes as legal investments for savings banks . . . . .	250 00	
	<hr/>	5,507 46
Stationery . . . . .		20 25
Top and base for plan cases . . . . .		27 30
E. W. Harnden:		
Reporting Council meeting . . . . .	\$28 90	
Reporting legislative com- mittee hearing . . . . .	94 80	
	<hr/>	123 70
		<hr/>
		\$21,241 54
Balance, deposit in United States Trust Company, Jan. 1, 1932 . . . . .		\$28,874 78

## BOND AND NOTE ACCOUNT.

*Receipts.*

1931

Aug. 14	Sale of \$21,000,000 note issue . . . . .	\$21,000,000 00
Aug. 14	Premium on above notes . . . . .	2,500 00
Sept. 14	Sale of \$2,000,000 note issue . . . . .	2,000,000 00
Sept. 14	Premium on above notes . . . . .	238 00
Sept. 14	Interest accrued on notes to date of delivery . . . . .	4,583 33
Nov. 16	Interest on deposit . . . . .	3 83
Dec. 15	Interest on deposit . . . . .	5 18
	Total . . . . .	<u>\$23,007,330 34</u>

*Disbursements.*

1931

Aug. 14	Boston Elevated Rail- way Company for its bond of that amount due Aug. 14, 1971 . . . . .	\$21,000,000 00
Sept. 14	Boston Elevated Rail- way Company for its bond of that amount due Sept. 14, 1971 . . . . .	<u>2,000,000 00</u>
	Total . . . . .	<u>23,000,000 00</u>
	Balance, deposit in National Shawmut Bank of Boston, Jan. 1, 1932 . . . . .	\$7,330 34

## MEETINGS AND ORGANIZATION.

Since the last report forty-four regular meetings of the Trustees have been held. In addition, the Trustees have attended numerous conferences and hearings.

The personnel of the Trustees remains unchanged. On October 23, 1931, Robert J. Bottomly was reappointed Trustee by the Mayor of Boston for a term of two years. On October 28, 1931, Henry I. Harriman was reappointed Trustee by the Governor for a term of eight years. At the meeting of the Trustees held on July 22,

1931, Edmund L. Dolan, the City Treasurer of Boston, was elected Assistant Treasurer of the Boston Metropolitan District, to hold office until further order of the Trustees. The present officers of the Trustees of the Boston Metropolitan District are Edward L. Logan, Chairman, Henry I. Harriman, Vice-Chairman, Robert J. Bottomly, Clerk, Joseph Wiggin, Treasurer, and Edmund L. Dolan, Assistant Treasurer.

Respectfully submitted,

EDWARD L. LOGAN, *Chairman*,  
HENRY I. HARRIMAN, *Vice-Chairman*,  
ROSCOE WALSWORTH,  
JOSEPH WIGGIN,  
ROBERT J. BOTTOMLY,

*Trustees of the Boston Metropolitan District.*

BOSTON METROPOLITAN DISTRICT.

*Created by Chapter 383 of Acts of 1929.*

CITIES AND TOWNS IN DISTRICT.	Representative.	Property as last established by General Court for State Tax.	Per Cent.	Votes in Council.
Arlington . . . . .	William O. Hauser	\$65,365,525	2.014	1
Belmont . . . . .	J. Watson Flett	48,603,961	1.498	1
Boston . . . . .	James M. Curley	2,008,268,169	61.878	21
Brookline . . . . .	Daniel A. Rollins	180,958,041	5.576	2
Cambridge . . . . .	Richard M. Russell	211,754,591	6.524	3
Chelsea . . . . .	Lawrence F. Quigley	56,699,914	1.747	1
Everett . . . . .	Michael C. O'Neill	76,814,578	2.367	1
Malden . . . . .	William A. Hastings	75,517,338	2.327	1
Medford . . . . .	John H. Burke	84,623,895	2.607	1
Milton . . . . .	George S. Murray	38,616,616	1.190	1
Newton . . . . .	C. Sinclair Weeks	170,141,006	5.242	2
Revere . . . . .	Andrew A. Casassa	41,864,532	1.290	1
Somerville . . . . .	John J. Murphy	128,547,189	3.960	2
Watertown . . . . .	Edward D. Holland	57,759,904	1.780	1
		\$3,245,535,250	100.000	39