

## The Commonwealth of Massachusetts

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EXECUTIVE DEPARTMENT, BOSTON, June 2, 1924.

*To the Honorable Senate and House of Representatives:*

Under the provisions of Article LVI of the Amendments to the Constitution, I am returning herewith House Bill 1774, entitled "An Act to authorize the Laying Out, Widening and Construction of Kneeland Street at or near Washington and Stuart Streets to Atlantic Avenue in the City of Boston," with the recommendation that it be amended as follows:

By striking out in lines 9 and 10 of Section 2 the words "from the proceeds of indebtedness incurred within the statutory limit of indebtedness or".

This amendment would restore the bill to the form in which it was recommended by the Committee on Municipal Finance after careful study and while making possible the improvement of Kneeland Street would stipulate that "no loan shall be authorized under this section unless a sum equal to ten per cent of the loan so authorized is voted for the same purpose to be provided from taxes or other sources of revenue." It has been the unvarying policy of the present Legislature in all cases where a city or town has been given special authority to borrow outside the debt limit to require an appropriation from revenue towards the proposed improvement before it becomes entitled to the authority to borrow. The policy of the present year is in keeping with that established in 1923, which requires all cities and towns to provide from revenue sources a certain sum before loans can be made for any of the purposes specified in the first fourteen items of Section 7, Chapter 44, General Laws.

The principle of pay-as-you-go, which is sound for the Commonwealth and is sound for the cities and towns of the Commonwealth in general, is also sound for Boston. There

is no reason why Boston should not do as much as other cities and towns have been required to do where special legislation is given authorizing borrowing outside the debt limit. Already during this session two Boston acts, — one for hospital purposes and one for a municipal building, — have been approved which require that a contribution must be made from revenue before loans can be issued.

The amount which must be contributed from taxation or other sources of revenue will have but little effect on the tax rate, but a principle is involved which should be followed without any exception. Annually recurring costs of government must be met directly from current revenues. The already excessive tax rates in many of our municipalities are certain to be increased so long as borrowing is permitted for every so-called permanent improvement. The government of a city which inaugurates large public works should at least provide a part of the funds for their payment. If a city is not in condition to appropriate from taxes or other revenue a sum equal to ten per cent of the loan which it is willing to incur then the contemplated work better be deferred.

For these reasons the amendment is recommended.

CHANNING H. COX.



