

MAINE STATE LEGISLATURE

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March 23, 1921

To William L. Bonney, State Treasurer
Re: Bonds Signed by Former Governor and Treasurer

I have received the correspondence relating to the claim of the Equitable Trust Company of New York, as to the validity of the Maine Military Service Loan Bond, and beg leave to say:

The State of Maine is bound to deliver under their contract legal bonds and as I am informed that the Equitable Trust Company and the Chase National Bank of New York, assisted in the making of the bonds and dictated their terms, form and date, they ought to be willing to accept what they themselves have suggested, and the State of Maine must see to it that they are properly signed and executed.

Counsel for the Equitable Trust Company have advised that the bonds in question are invalid because not properly signed, relying on the United States case of Coler vs. Cleburne, 131 U.S. 162, and the contention may be sound, but in my opinion, if the question here involved were submitted to the same Court, it might and probably would follow the doctrine laid down in the case of Town of Weuauwega vs. Ayling, 99 U.S. 112, in which case the Court held on a similar state of facts that the town was estopped to deny that the bonds were invalid. I do not decide whether it was proper or not to have the bonds in the present case signed by the former Governor and Treasurer as a matter of procedure, but I do claim and insist that the State of Maine, having received the money and having delivered the very bond which the original contract called for, would be forever estopped from denying their liability.

No doubt you will be able to convince the parties that we are acting in good faith and intend to carry out the contracts on the part of the State of Maine both as to the letter and spirit of the same.

Ransford W. Shaw
Attorney General