

MAINE STATE LEGISLATURE

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December 22, 1932

To Sanger N. Annis, Bank Commissioner
Re: Public Funds for Private Purpose

Memo of conference with Mr. Lane of the First Auburn Trust Company and yourself.

I told him that if you should ask me as to the validity of a loan of \$5,000 to the Town of Mechanic Falls for the purpose of repairing, heating and caring for the factory which it took over in 1905 under a special act of the legislature, I would say that the loan is valid if within the debt limit and duly authorized by the town. It would not be for you or him to raise any question as to the constitutionality of this Act of 1905, and this expense would be a proper incident.

A loan of \$7,500 for the purpose of installing machinery in order that a manufacturing company might lease the plant, pay a nominal rent and give employment to citizens of the town would, however, be illegal. This almost amounts to putting the town into manufacturing business. At any rate it is spending town money indirectly for the benefit of the citizens.

Clement F. Robinson
Attorney General