

MAINE STATE LEGISLATURE

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STATE OF MAINE
DEPARTMENT OF THE ATTORNEY GENERAL
AUGUSTA

April 27, 1936

Hon. Thomas A. Cooper
Bank Commissioner
Augusta, Maine

Dear Sir:

Concerning your recent inquiry of this office as to the interpretation of Sub-division 5, Paragraph VII of Section 97 of Chapter 57 of the Revised Statutes of Maine, as amended, with respect to the issue of Springfield City Water Company, First Mortgage Bonds, I am of the opinion that the interest on the floating debt should be deducted in arriving at the net income for the purpose of determining the legality for Maine Savings Banks of the issue in question.

In reaching this opinion I am influenced, in large measure by the apparent intention of the legislature. It is obvious that the legislature had for its first consideration the safety of the funds invested by savings banks in bonds, and was not greatly interested in the facility with which corporations might be enabled to float bond issues. The interest of the corporations is of not more than secondary consideration, if consideration for the corporations was in mind at all. From the section in question, as well as from the entire chapter it is apparent that the legislature desired above all that the securities held by savings banks should at all times be protected from frozen or slow moving securities. It is the desire of the State of Maine that the savings of its citizens shall at all times be invested, if invested, in such securities as shall hold forth a generous promise of being liquid, and not in such securities as appear to skirt the border line.

Accordingly, I feel that until such time as the legislature shall relax its zealous concern for the savings of our people, you should at all times when in doubt interpret the law in behalf of the savings depositors rather than in behalf of those who are desirous of floating securities.

Very truly yours,

Attorney General