

MAINE STATE LEGISLATURE

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STATE OF MAINE



REPORT

OF THE

ATTORNEY GENERAL

for the calendar years

1955 - 1956

a hospital approved by the American Hospital Association and the American Medical Association, and in no circumstances may this be waived.

ROGER A. PUTNAM
Assistant Attorney General

March 8, 1956

To Frank S. Carpenter, Treasurer of State

Re: Withholding of Funds

. . . You ask if it is proper for you to withhold town funds to pay Social Security, which, as you state, is a federal agency.

It is our opinion that under the provisions of Section 4, subsection IV of Chapter 65 of the Revised Statutes it is proper for you to withhold money from a town which owes money to the Maine State Retirement System by virtue of an agreement executed by the town and the System, whereby the town agreed to pay periodically moneys due for Social Security.

JAMES GLYNN FROST
Deputy Attorney General

March 14, 1956

To Frank S. Carpenter, Treasurer of State

Re: \$10,000 State of Maine Highway 4% Bonds numbered 30013-22, due May, 1941, and Vesting Order 14772, Alien Property Custodian.

Reference is made to an opinion of Attorney General Ralph W. Farris, dated July 26, 1950, at which time the Attorney General advised that the sum due on the above mentioned bonds plus interest accrued and unpaid not be turned over to the Office of the Alien Property Custodian. The basis of his opinion was that there would not be sufficient protection to the State of Maine if the bonds were presented for payment at your office.

Since Mr. Farris's opinion there has been a great deal of litigation in regard to the right of the Attorney General of the United States as successor to the Alien Property Custodian to vest in himself title to an obligation, in this case a bond, which was not present within the borders of the United States. In *Cities Service Co. v. McGrath*, 342 U. S. 330, the Supreme Court of the United States had an opportunity to pass on practically the very situation that faces us here. In that case the Attorney General sought payment of two 5% gold debentures, face value of \$1000 each, payable to bearer. These obligations were outside the country at the time the vesting order was made. The Supreme Court held that under the provisions of the Trading with the Enemy Act the Attorney General had the power to vest title of these obligations in the United States Government, notwithstanding the fact that the debentures themselves were outside the United States at the time of vesting and that he had never at any time come into the physical possession of the bonds, which were the evidence of indebtedness.

Such is the situation we are faced with. The vesting order discloses that the original title was in Allianz Lebensversicherungs, a German corporation, at the