STATE OF MAINE

REPORT

OF THE

ATTORNEY GENERAL

For The Calendar Years

1963 - 1964

The question might well be rephrased to be: Are the products of pulpwood — wood flour, prime wood fiber, and wood chips — pulpwood under Revised Statutes chapter 22, section 111-A?

The dictionary definition of pulpwood is: "The soft wood of certain trees, used in making paper; also this wood after being macerated; also the trees so used."

The definition of wood fiber is: "Wood comminuted and reduced to a powdery or dusty mass."

The definition of wood flour is: "Finely powdered wood or sawdust used in preparing explosives, in surgical dressings, etc."

The term "wood chips" is not defined, but would be commonly understood to be the chips from logs produced by cutting. It can be seen, then, that all of these are the products of pulpwood. The question is whether the legislature, in enacting section 111-A, intended to grant a weight tolerance not only to pulpwood but to its by-products.

In addition to "pulpwood," the statute gives the weight tolerance to "firewood," "logs," and "bolts." All of these are sections of trees. None are products in the sense that wood flour, etc., are. If the legislature meant to include such products, it could have done so by the inclusion of a phrase such as "and its products." It did not do so, however, and your question is, therefore, answered in the negative.

LEON V. WALKER, JR.
Assistant Attorney General

May 16, 1963

To: Irl E. Withee, Deputy Bank Commissioner

Re: Stock of a Trust Company as Collateral in Trust Department of that Bank

In your memo of January 17, 1963, you ask two questions. We will state and answer each one separately.

Question 1:

May a trust department of a trust company make a loan that would be secured by the stock of the trust company?

Answer:

No.

R. S. Chapter 59, section 117, provides:

> "Trust companies shall not make loans or discounts on the security of the shares of their own capital stock nor be the purchasers or holders of any such shares unless necessary to prevent loss upon a debt previously contracted in good faith, and all stock so acquired shall, within 1 year after its acquisition, be disposed of at public or private sale; provided, however, that the time for such disposition may be extended by the bank commissioner for good cause shown upon application to him in writing."

The statute is clear that a trust company may not accept its own capital stock as security for a loan nor may it purchase the same except under special circumstances.

The trust department is a part of the trust company. It is not a separate legal entity. It must be subject to all limitations placed upon the trust company. To say that a trust company may not do a certain act but that the trust department of the same trust company can do the act is anomalous.

Question 2:

May the stock of a trust company be considered as acceptable collateral in the bank's own pension fund? (This fund is under the control of the trust department of that bank.)

Answer:

No.

The same reasoning applies to this question as to the first question.

GEORGE C. WEST
Deputy Attorney General

May 16, 1963

To: Kermit S. Nickerson, Deputy Commissioner of Education

Re: Conversion of School Room — Section 237-H

Your memorandum of May 10, 1963 is hereby acknowledged.

Facts:

A school administrative district proposes to adapt a section of a building for use as a district administrative office. Formerly this building housed grades seven and eight in the town where the same is located. Presently, the building is not in use for school purposes. Estimated cost of the conversion: $4,884.

The district has inquired of your department whether such construction is eligible for aid pursuant to Section 237-H, Chapter 41, R. S. 1954.

Opinion:

State aid for school construction is granted for capital outlay purposes. The words "capital outlay purposes" are defined as meaning, among other things, "the cost of new construction, expansion, acquisition or major alteration of a public school building." The proposed construction lies within the confines of the words 'major alteration' of a public school building.

There seems to be no doubt but that the building in question is "an existing public school building." The fact that the building is not presently being used for school purposes does not create a misnomer.

The term "major alteration" is defined in 237-H as meaning the conversion of "an existing public school building to the housing of another or additional grade level group, or providing additional school facilities in an existing public school building but shall not include the restoration of an existing public school building or piece of equipment within it, to a new condition of completeness or efficiency from a worn, damaged or deteriorated condition."

If the proposed construction is eligible at all, such eligibility would lie within the words "providing additional school facilities in an existing public school building."

In the construction of the laws we should incline strongly towards the popular signification of language. In that way the legislative intent is most