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**Veto Message: Governor Washburn
1869 (S.15)**

**An act to to incorporate the Alburgh, Highgate and Plattsburgh Steam Ferry
Company.**

STATE OF VERMONT
Executive Department.
Montpelier, Vt., November 2, 1869

The President laid before the Senate a communication from his Excellency, the Governor, as follows:

To the President of the Senate:

SIR: I return herewith to the Senate, without my approval, Senate bill No. 15, entitled "An act to incorporate the Alburgh, Highgate and Plattsburgh Steam Ferry Company."

This bill contains the usual clause limiting the right of the company to contract debts to the extent of three-fourths of the capital stock actually paid in, and making the directors personally liable for all debts in excess of that amount; but it does not contain any prohibition of the withdrawal or diversion from the business of the corporation, during its existence, of any part of the capital actually paid in. The express provision, prohibiting such withdrawal, inserted in section forty-three of chapter eighty-six of the General Statutes, and applicable to all private corporations formed by voluntary association, indicates very clearly that this has become the settled policy of the State. The same prohibition has been inserted in a majority of the special acts incorporating private corporations, enacted since the enactment of the General Statutes; and its omission in any has been probably the result rather of inadvertence than of intention. It is a provision essential for the proper protection of the creditors of the company. Without it, although the debts may not exceed three-fourths of the capital paid in, yet, by using the capital to pay dividends, which is not

infrequently done by the corporations when their business fails to be profitable, the amount of the debts, and thus a portion of the creditors be left without security or the means of obtaining payment of their claims.

And this objection to the bill is not relieved by the provision in section six, making it subject to the provisions of chapter eighty-six of the General Statutes. It is thereby made subject to the general provisions of that chapter, which are applicable to all private corporations, but not to sections twenty-four to forty inclusive, which by their terms are made applicable only to savings banks and moneyed corporations, nor to section forty-three, which by its terms is made applicable only to corporations organized by voluntary association.

I therefore respectfully return the bill for the further consideration of the Senate.

PETER T. WASHBURN,
Governor

Governor's Veto Sustained
S.16 1869

Governor's veto sustained in the Senate:

Yeas: 0 Nays: 20

Sources: *Journal of the Senate*, November 2, 1869 (pages 85-86)