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**Veto Message: Governor Peck
1874 (H. 171)
An act to incorporate E. & T. Fairbanks & Company.**

STATE OF VERMONT
Executive Department.
Montpelier, Vt., Nov. 20, 1874

The Speaker laid before House a communication from his Excellency, the Governor, as follows:

To the Speaker of the House of Representatives:

SIR: I have the honor to return to the House of Representatives, in which it originated, the bill entitled

"An act to incorporate E. & T. Fairbanks & Company," without my approval. I can not but regard the provision of section five, that "no sale or transfer of the stock of said corporation except on attachment and execution, or by an administrator for the purpose of paying the debts of the estate he represents, shall be valid and binding upon the corporation," except upon compliance with the provisions of that section, as an insuperable objection to its receiving the executive approval. Besides other objections to it, there are *various other* judicial rules which in the course of business it may be necessary for the interest, not only of the stockholder, but of others having claims on him, for a court to *order*, and which, *under* this section, are included in the prohibition.

The further provision forbidding the devising of the property, except to the heirs of the testator so as to enable the devisee to hold it if the corporation choose to take it at the valuation the Probate Court of Caledonia county may fix upon it, I regard as equally objectionable and prejudicial to the rights of third persons, and too far inconsistent with the idea of ownership, to be affixed

to personal property created by special act of incorporation.

The provision in section three, that "No taxes shall be assessed upon the stock of said corporation to the individual owner thereof," is, if possible, still more objectionable in my judgment. It is exempting the owners of stock in this corporation, from the general law of taxation of manufacturing corporations, and substituting a special mode of taxation by special grant, to this corporation. The provision of the general law as to manufacturing corporations, is, chapter eighty-three, section fourteen, that "all machinery employed in any branch of manufacture, and belonging to any corporation or company, shall be assessed to such corporation or company in the town where such machinery may be situated or employed; and in assessing such stockholders for the stock in any manufacturing corporation or company, there shall first be deducted from the value thereof, the value of the *machinery* and real estate belonging to such corporation or company."

I cannot see why this corporation should be singled out from all other manufacturing corporations, and have a special grant exempting it from the general law of taxation of such property, and a different mode of taxation substituted, exempting the stock entirely from taxation. I am unable to see why any other manufacturing corporation, whether manufacturing scales or other property for market, may not with equal propriety ask for the same exemption. If the general law of taxation of the stock or other property of manufacturing corporations is not just and proper it may easily be changed, but if it is just and proper, this corporation should be subject to it, and I can come to no other conclusion than that this special grant, exempting the stock of this corporation from taxation, is unjust to other manufacturing corporations and other taxpayers, unwise, and establishing a precedent of special legislation of dangerous and mischievous tendency.

I therefore return the bill, without the executive approval, to the House in which it originated.

ASAHEL PECK,

Governor's Veto Sustained
H.171, 1874

The Governor's veto was sustained in the House:
Yeas 0 Nays 186

Sources: Journal of the House, November 20, 1874 (pages 410-412)