

Office of the Vermont Secretary of State
Vermont State Archives

Veto Message: Governor Peck
1874 (H. 381)

An act to incorporate the Burlington Banking Company.

STATE OF VERMONT
Executive Department.
Montpelier, Vt., November 24, 1874

To the Speaker of the House of Representatives:

SIR: I have the honor to return to the House of Representatives, House bill 381, entitled "An act to incorporate the Burlington Banking Company," without my approval. Section *one* of the act incorporates such persons as shall become subscribers to the stock, by the name of the Burlington Banking Company. Section *two* provides that the capital stock shall be divided into shares of one hundred dollars each, and that after the organization of the company, the capital stock may be invested to an amount not exceeding three hundred thousand dollars, under such regulations as the corporation may prescribe.

The act gives to the corporation comprehensive powers to receive money on deposit and in trust, on interest, and to accept and execute trusts of almost every description, embracing property, both real and personal, on terms that may be agreed upon; to accept deposits when public officers or municipal or private corporations are authorized or required by law to deposit in bank; to accept from and execute trusts for married women, in respect to their separate property; to receive, for safe keeping, stocks, bonds and other valuable property, and that no bond or other collateral security shall be required from the corporation when acting as receiver or depository. It is a corporation having for its object a division of profits among the stockholders, and therefore, is a private corporation, within the meaning of chapter eighty-six, General Statutes.

Section thirteen provides that ten dollars on each share shall be paid at the time of subscribing, and that the corporation shall not commence business further than to organize, until at least twenty-five percent of the capital stock *subscribed* shall have been paid in, and that at least fifteen *percent* of the capital stock subscribed shall be paid in yearly, until the whole shall have been paid; and it is provided in section twelve, that if, at any time, the capital stock paid in shall be impaired by losses or otherwise, the directors shall forthwith repair the same by assessment upon the stockholders. But there is no provision in the act requiring any particular sum or amount of capital stock to be subscribed, either before entering upon the business of the corporation or at any time thereafter, further than that the directors shall be stockholders to the amount of one thousand dollars.

The corporation may, consistently with the charter, commence and carry on their business and contract debts, and incur liabilities to any amount, with only an amount of stock subscribed merely nominal; thus affording, practically, no fund on which the creditors of the corporation can rely for their security, and no provision making the stockholders or directors in such case reliable, and no limitation to the amount the directors or stockholders may be indebted to the corporation. I deem this such objection as justifies the withholding of my assent to the bill, and, therefore return it without my approval.

ASAUEL PECK,
Governor

Governor's Veto Sustained
H.381 1874

The Governor's veto was sustained in the House:
Yeas 4 Nays 126

Sources: *Journal of the House*, November 24, 1874 (pages 478-480)