

# Founders Online

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## CONSTITUTION OF THE BANK OF NEW YORK, [23 FEBRUARY–15 MARCH 1784]

### Constitution of the Bank of New York<sup>1</sup>

March 15, 1784]≠

[ Bank of New York. (Mar. 15, 1784). Constitution of the Bank of New York, [23 February–15 March 1784],” Founders Online, National Archives. Original source: The Papers of Alexander Hamilton, vol. 3, 1782–1786, ed. Harold C. Syrett. New York: Columbia University Press, 1962, pp. 514–518. Source: <https://founders.archives.gov/documents/Hamilton/01-03-02-0332> ]

#### CONSTITUTION

##### Article 1st.

That the Bank shall be called by the Name and Title of the Bank of New York.

–2–

That the Capital Stock consist of Five Hundred Thousand Dollars in Gold or Silver, divided into One Thousand Shares of Five Hundred Dollars each Share and that a Majority of all the Directors may at their discretion open new Subscriptions for encreasing the Capital Stock, when they shall judge it for the Interest of the Bank so to do, provided the said New Subscriptions do not exceed the Sum of Five Hundred Thousand Dollars.

–3–

That Thirteen Directors be annually chosen by a Majority of Votes, who are to have the sole Conduct and Management of the Bank. At the first General Election, the President and Cashier are to be elected by the Subscribers to the Bank, but for ever afterwards the Thirteen Directors are to chuse a President from among themselves; and the Cashier as well as every other Person employed in the Bank is to be appointed and paid by them and be under their immediate controul.

–4th–

That the first Election be on the 15th. day of March 1784; that the next General Election for thirteen Directors shall be on the Second Monday in May 1785; and so continue Yearly and every Year, but in case of any Vacancy in the Direction by Death, Resignation or otherwise, public notice shall be given within one Week after such an Event, that the Vacancy may be filled; the Election to be within fourteen days after such notice.

5th.

That every Holder of one or more Shares to the Number of Four, shall have One Vote for each Share—A Subscriber of Six Shares shall have Five Votes, Eight Shares, Six Votes, and Ten Shares, Seven Votes, and One Vote for every Five Shares above Ten.

–6th–

That no Stockholder after the first Election shall be entitled to Vote, unless such person has possessd the Stock three months previous to the day fixed for an election of Directors or any other General purpose; And if any Stockholder (who shall have been a Resident in this State at least Twelve months immediately preceeding such Election) should be absent, he shall be entitled to Vote by Proxy properly appointed; but in no other case shall any Vote be admitted by Proxy.

–7th–

That no Person shall be eligible to Serve in the Office of Director unless he be a Stockholder.

–8th–

That the Board of Directors determine the manner of doing business and the Rules and Forms to be pursued, appoint and employ the various Clerks and Servants, which they may find necessary, and dispose of the Money and credit of the Bank for the interest and benefit of the Proprietors; but they are not to employ the money or Credit of the Bank in the drawing or negotiating of any Foreign Bill or Bills of Exchange, or advance a Loan to any Foreign Power whatever.

–9th–

That if at any time it shall be the opinion of a Majority of the Directors that any of their Body are guilty of neglect of Duty or any Mal Practice whereby the Interest of the Bank is or may be affected, such majority of the Directors with or without the consent of the President, may advertise for a general Meeting of the Stockholders to lay before them a Complaint of such neglect of Duty or breach of Trust, and if it appears to the Stockholders to be well founded such Director or Directors may be removed by a majority of Votes.

–10th–

That if any of the Directors shall convert any of the Money or Property of the Bank to his own particular use, or be guilty of fraud or Embezzlement, he shall forfeit his whole share of Stock to the Company and be expelled the Direction by a Majority of all the Directors and thereby rendered incapable of ever serving again in that Office

–11th–

That no President or Director shall receive any other Emolument for his attendance on the Duties of his Office than such as shall be fixed and agreed to by a majority of Votes at a General Election.

–12th–

That there shall be a Meeting of the Directors Quarterly for the purpose of regulating the affairs of the Bank and not less than Seven shall constitute a Board, who may adjourn from time to time; and the President if necessary may call a Meeting of the Directors at any intermediate time; At every Meeting of the Directors all Questions are to be decided by a majority of Votes.

–13th–

That the President or a Majority of the Directors shall have Power to call a General Meeting of the Stockholders by an Advertisement in the public Papers whenever it appears to them there is urgent occasion.

14th.

That the Cashier and every principal Clerk do give a Security for their Trust to such an Amount as a Majority of all the Directors shall require.

–15th–

That all Notes issued by the Bank, shall be Signed by the President for the Time being, or any Director who may be fixed upon by the Board for that Purpose, and Counter Signed by the Cashier, or in his absence by a Clerk to be appointed by the Directors.

–16th.–

That no Stockholder shall be accountable to any Individual or the Public for Money lodged in the Bank for a greater Sum than the amount of his Stock.

–17th.–

That such a Dividend on the Profits of the Bank as a Majority of all the Directors shall determine to make, shall be declared at least fourteen days previous to the General Election in May 1785; and that all Subsequent Dividends shall be made half yearly.

–18th.–

That all Shares shall be transferable, such Transfer to be made by the Proprietor or Proprietors or his her or their lawful Attorney in Books kept at the Bank for that purpose, which Books shall be always kept open at the usual Office Hours except on particular days previous to the declaring a Dividend of which due Notice shall be given.

–19th–

That the President and Directors shall Petition the Legislature to incorporate the Subscribers or Stockholders under the Name and Title of the President Directors and Company of the Bank of New York, and to pass Laws for inflicting the most exemplary punishment on those who may commit Fraud or Embezzlement; and also to punish the Counterfeiters of Bank Notes and Checks in the like exemplary manner, with such other Clauses in the Act as they shall judge necessary and proper for the Security of the Stockholders and the Public.

–20th–

That the Constitution shall be fairly transcribed upon Parchment and remain at the Bank; the President and Directors when chosen, and prior to the opening of the Bank, shall severally Sign and Seal the same, and take an Oath or Affirmation before a Magistrate, that he will to the best of his Knowledge and abilities conduct the business of the Bank for the Interest and benefit of the Proprietors and agreeable to the true intent and meaning of the Constitution which Oath or Affirmation shall also be taken by every future Director when chosen, and before he enters upon the execution of his Trust.

D, Hamilton Papers, Library of Congress.

[ **John Barker Church** aka John Carter, British nephew of John Barker, Governor, **London Assurance Company** (founded 1720) ]

1. Scholars have unanimously attributed the "Constitution of the Bank of New York" to H (Hamilton, *History*, III, 46; Schachner, *Hamilton*, 182; Mitchell, *Hamilton*, 348; Allan Nevins, *History of the Bank of New York*, 8). Attached to the "Constitution" in the Hamilton Papers, Library of Congress, there is a scrap of paper on which there appears in H's writing the words "Constitution of the Bank of New York." Whether this was the endorsement of an unlocated or lost draft of the "Constitution" or whether H appended it to a copy of the "Constitution" made by someone else cannot be determined. The only available evidence consists of the document, not in H's writing, in the Hamilton Papers, and two letters (**H to John B. Church, March 10, 1784**; **H to Nicholas Low, December 21, 1791**).

On February 23, 1784, the following announcement appeared in *The New York Packet. And the American Advertiser*: "BANK. It appearing to be the disposition of the Gentlemen in this City, to establish a BANK on liberal principles, the stock to consist of specie only; they are therefore hereby invited to meet To-Morrow Evening at Six o'clock at the Merchant's Coffee House; where a plan will be submitted to their consideration." **The establishment of a specie bank was prompted in part by a project headed by Robert R. Livingston to form a land bank.** See **Church to H, February 7, 1784**, and **H to Church, March 10, 1784**.

At the meeting of February 24, 1784, at the Merchant's Coffee House, Alexander McDougall was made chairman, and plans for a bank were approved. **Late in 1783 H had been directed by Church to establish a New York bank which would be dominated by Church and Jeremiah Wadsworth.** This project, however, was anticipated by some New York merchants who met on February 24 and established a specie bank which presumably was similar to that which **H was attempting to organize for Church and Wadsworth.** Deciding "to fall in with them," **H endeavored to see that Church had "a proper weight" in the affairs of the bank (H to Church, March 10, 1784).** On March 15, the bank was formally organized, five hundred shares having been **subscribed.** Alexander McDougall was elected president and **William Seton cashier.** The directors were Samuel Franklin, Robert Bowne, Comfort Sands, H, Joshua Waddington, Thomas Randall, William Maxwell, Nicholas Low, Daniel McCormick, Isaac Roosevelt, John Vanderbilt, and Thomas B. Stoughton.

2. The "Constitution" must have been written between February 23, 1784, the date of the announcement of a meeting to form the Bank of New York, and March 15, the date on which, according to the "Constitution," the first election of directors was to be held.

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