

First Bank of the United States: An Act to incorporate the subscribers to the Bank of the United States

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1 WHEREAS it is conceived that the establishment of a bank for the United States, upon a
2 foundation sufficiently extensive to answer the purposes intended thereby, and at the same time
3 upon the principles which afford adequate security for an upright and prudent administration
4 thereof, will be very conducive to the successful conducting of the national finances; will tend to
5 give facility to the obtaining of loans, for the use of the government, in sudden emergencies; and
6 will be productive of considerable advantages to trade and industry in general: Therefore,

7 SECTION 1. Be it enacted by the Senate and House of Representatives of the United States of
8 America in Congress assembled, That a bank of the United States shall be established; the capital
9 stock whereof shall not exceed ten millions of dollars, divided into twenty-five thousand shares,
10 each share being four hundred dollars; and that subscriptions, towards constituting the said stock,
11 shall, on the first Monday of April next, be opened at the city of Philadelphia, under the
12 superintendence of such persons, not less than three, as shall be appointed for that purpose by the
13 President of the United States (who is hereby empowered to appoint the said persons
14 accordingly); which subscriptions shall continue open, until the whole of the said stock shall
15 have been subscribed.

16 SEC. 2. And be it further enacted, That it shall be lawful for any person, co-partnership, or body
17 politic, to subscribe for such or so many shares, as he, she, or they shall think fit, not exceeding
18 one thousand, except as shall be hereafter directed relatively to the United States; and that the
19 sums, respectively subscribed, except on behalf of the United States, shall be payable one fourth
20 in gold and silver, and three fourths in that part of the public debt, which, according to the loan
21 proposed in the fourth and fifteenth sections of the act, entitled “An act making provision for the
22 debt of the United States,” shall bear an accruing interest, at the time of payment, of six per
23 centum per annum, and shall also be payable in four equal parts, in the aforesaid ratio of specie
24 to debt, at the distance of six calendar months from each other; the first whereof shall be paid at
25 the time of subscription.

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26 SEC. 3. And be it further enacted, That all those, who shall become subscribers to the said bank,
27 their successors and assigns, shall be, and are hereby created and made a corporation and body
28 politic, by the name and style of The President, Directors and Company, of the Bank the United
29 States; and shall so continue, until the fourth day of March, one thousand eight hundred and
30 eleven: And by that name, shall be, and are hereby made able and capable in law, to have,
31 purchase, receive, possess, enjoy, and retain to them and their successors, lands, rents,
32 tenements, hereditaments, goods, chattels and effects of what kind, nature or quality soever, to an
33 amount, not exceeding in the whole fifteen millions of dollars, including the amount of the
34 capital stock aforesaid; and the same to sell, grant, demise, aliene or dispose of; to sue and be
35 sued, plead and be impleaded, answer and be answered, defend and be defended, in courts of
36 record, or any other place whatsoever: And also To have a seal, to make, have, and use a common
37 seal, and the same to break, alter and renew, at their pleasure; and also to ordain, establish, and
38 put in execution, such by-laws, ordinances and regulations, as shall seem necessary and
39 convenient for the government of the said corporation, not being contrary to law, or to the
40 constitution thereof (for which purpose, general meetings of the stockholders shall and may be
41 called by the directors, and in the manner herein after specified), and generally to do and execute
42 all and singular acts, matters and things, which to them it shall or may appertain to do; subject
43 nevertheless to the rules, regulations, restrictions, limitations and provisions herein after
44 prescribed and declared.

45 SEC. 4. And be it further enacted, That, for the well ordering of the affairs of the said
46 corporation, there shall be twenty-five directors; of whom there shall be an election on the first
47 Monday of January in each year, by the stockholders or proprietors of the capital stock of the
48 said corporation, and by plurality of the votes actually given; and those who shall be duly chosen
49 at any election, shall be capable of serving as directors, by virtue of such choice, until the end or
50 expiration of the Monday of January next ensuing the time of such election, and no longer. And
51 the said directors, at their first meeting after each election, shall choose one of their number as
52 President.

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53 SEC. 5. Provided always, and be it further enacted, That, as soon as the sum of four hundred
54 thousand dollars, in gold and silver, shall have been actually received on account of the
55 subscriptions to the said stock, notice thereof shall be given, by the persons under whose
56 superintendence the same shall have been made, in at least two public gazettes printed in the city
57 of Philadelphia; and the said persons shall, at the same time in like manner, notify a time and
58 place within the said city, at the distance of ninety days from the time of such notification, for
59 proceeding to the election of directors; and it shall be lawful for such election to be then and
60 there made; and the persons, who shall then and there be chosen, shall be the first directors, and
61 shall be capable of serving, by virtue of such choice, until the end or expiration of the Monday in
62 January next ensuing the time of making the same, and shall forthwith thereafter commence the
63 operations of the said bank, at the said city of Philadelphia. And provided further, That, in case it
64 should at any time happen, that an election of directors should not be made upon any day when
65 pursuant to this act it ought to have been made, the said corporation shall not, for that cause, be
66 deemed to be dissolved; but it shall be lawful, on any other day, to hold and make an election of
67 directors in such manner as shall have been regulated by the laws and ordinances of the said
68 corporation. And provided lastly, That, in case of the death, resignation, absence from the United
69 States, or removal of a director by the stockholders, his place may be filled up, by a new choice,
70 for the remainder of the year.

71 SEC. 6. And be it further enacted, That the directors for the time being shall have power to
72 appoint such officers, clerks, and servants under them, as shall be necessary for executing the
73 business of the said corporation, and to allow them such compensation, for their services
74 respectively, as shall be reasonable; and shall be capable of exercising such other powers and
75 authorities, for the well governing and ordering of the affairs of the said corporation, as shall be
76 described, fixed, and determined by the laws, regulations, and ordinances of the same.

77 SEC. 7. And be it further enacted, That the following rules, restrictions, limitations and
78 provisions, shall form and be fundamental articles of the constitution of the said corporation, viz.

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79 I. The number of votes to which each stockholder shall be entitled, shall be according to the
80 number of shares he shall hold, in the proportions following: That is to say, for one share, and
81 not more than two shares, one vote: for every two shares above two, and not exceeding ten, one
82 vote: for every four shares above ten, and not exceeding thirty, one vote: for every six shares
83 above thirty, and not exceeding sixty, one vote: for every eight shares above sixty, and not
84 exceeding one hundred, one vote: and for every ten shares above one hundred, one vote:—But
85 no person, co-partnership, or body politic shall be entitled to a greater number than thirty votes.
86 And after the first election, no share or shares shall confer a right of suffrage, which shall not
87 have been holden three calendar months previous to the day of election. Stockholders actually
88 resident within the United States, and none other, may vote in elections by proxy.

89 II. Not more than three fourths of the directors in office, exclusive of the president, shall be
90 eligible for the next succeeding year: but the director, who shall be president at the time of an
91 election, may always be re-elected.

92 III. None but a stockholder, being a citizen of the United States, shall be eligible as a director.

93 IV. No director shall be entitled to any emolument, unless the same shall have been allowed by
94 the stockholders at a general meeting. The stockholders shall make such compensation to the
95 president, for his extraordinary attendance at the bank, as shall appear to them reasonable.

96 V. Not less than seven directors shall constitute a board for the transaction of business, of
97 whom, the president shall always be one, except in case of sickness, or necessary absence; in
98 which case his place may be supplied by any other director, whom he, by writing under his hand,
99 shall nominate for the purpose.

100 VI. Any number of stockholders, not less than sixty, who, together, shall be proprietors of two
101 hundred shares or upwards, shall have power at any time to call a general meeting of the
102 stockholders, for purposes relative to the institution, giving at least ten weeks notice, in two

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103 public gazettes of the place where the bank is kept, and specifying, in such notice, the object or
104 objects of such meeting.

105 VII. Every cashier or treasurer, before he enters upon the duties of his office, shall be required to
106 give bond, with two or more sureties, to the satisfaction of the directors, in a sum not less than
107 fifty thousand dollars, with condition for his good behaviour.

108 VIII. The lands, tenements and hereditaments which it shall be lawful for the said corporation to
109 hold, shall be only such as shall be requisite for its immediate accommodation in relation to the
110 convenient transacting of its business, and such as shall have been bona fide mortgaged to it by
111 way of security, or conveyed to it in satisfaction of debts previously contracted in the course of
112 its dealings, or purchased at sales upon judgments which shall have been obtained for such debts.

113 IX. The total amount of the debts, which the said corporation shall at any time owe, whether by
114 bond, bill, note, or other contract, shall not exceed the sum of ten millions of dollars, over and
115 above the monies then actually deposited in the bank for safe keeping, unless the contracting of
116 any greater debt shall have been previously authorized by a law of the United States. In case of
117 excess, the directors, under whose administration it shall happen, shall be liable for the same, in
118 their natural and private capacities; and an action of debt may, in such case, be brought against
119 them, or any of them, their or any of their heirs, executors or administrators, in any court of
120 record of the United States, or of either of them, by any creditor or creditors of the said
121 corporation, and may be prosecuted to judgment and execution; any condition, covenant, or
122 agreement to the contrary notwithstanding. But this shall not be construed to exempt the said
123 corporation, or the lands, tenements, goods or chattels of the same, from being also liable for and
124 chargeable with the said excess. Such of the said directors, who may have been absent when the
125 said excess was contracted or created, or who may have dissented from the resolution or act
126 whereby the same was so contracted or created, may respectively exonerate themselves from
127 being so liable, by forthwith giving notice of the fact, and of their absence or dissent, to the
128 President of the United States, and to the stockholders, at a general meeting, which they shall
129 have power to call for that purpose.

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130 X. The said corporation may sell any part of the public debt whereof its stock shall be
131 composed, but shall not be at liberty to purchase any public debt whatsoever; nor shall directly or
132 indirectly deal or trade in any thing, except bills of exchange, gold or silver bullion, or in the sale
133 of goods really and truly pledged for money lent and not redeemed in due time; or of goods
134 which shall be the produce of its lands. Neither shall the said corporation take more than at the
135 rate of six per centum per annum, for or upon its loans or discounts.

136 XI. No loan shall be made by the said corporation, for the use or on account of the government
137 of the United States, to an amount exceeding one hundred thousand dollars, or of any particular
138 state, to an amount exceeding fifty thousand dollars, or of any foreign prince or state, unless
139 previously authorized by a law of the United States.

140 XII. The stock of the said corporation shall be assignable and transferable, according to such
141 rules as shall be instituted in that behalf, by the laws and ordinances of the same.

142 XIII. The bills obligatory and of credit, under the seal of the said corporation, which shall be
143 made to any person or persons, shall be assignable by indorsement thereupon, under the hand or
144 hands of such person or persons, and of his, her, or their assignee or assignees, and so as
145 absolutely to transfer and vest the property thereof in each and every assignee or assignees
146 successively, and to enable such assignee or assignees to bring and maintain an action thereupon
147 in his, her, or their own name or names. And bills or notes, which may be issued by orderbills to
148 be obligatory. of the said corporation, signed by the president, and countersigned by the principal
149 cashier or treasurer thereof, promising the payment of money to any person or persons, his, her,
150 or their order, or to bearer, though not under the seal of the said corporation, shall be binding and
151 obligatory upon the same, in the like manner, and with the like force and effect, as upon any
152 private person or persons, if issued by him or them, in his, her, or their private or natural capacity
153 or capacities; and shall be assignable and negotiable, in like manner, as if they were so issued by
154 such private person or persons—that is to say, those which shall be payable to any person or
155 persons, his, her, or their order, shall be assignable by indorsement, in like manner, and with the

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156 like effect, as foreign bills of exchange now are; and those which are payable to bearer, shall be
157 negotiable and assignable by delivery only.

158 XIV. Half yearly dividends shall be made of so much of the profits of the bank, as shall appear
159 to the directors advisable; and once in every three years, the directors shall lay before the
160 stockholders, at a general meeting, for their information, an exact and particular statement of the
161 debts, which shall have remained unpaid after the expiration of the original credit, for a period of
162 treble the term of that credit; and of the surplus of profit, if any, after deducting losses and
163 dividends. If there shall be a failure in the payment of any part of any sum, subscribed by any
164 person, co-partnership, or body politic, the party failing shall lose the benefit of any dividend,
165 which may have accrued, prior to the time for making such payment, and during the delay of the
166 same.

167 XV. .It shall be lawful for the directors aforesaid, to establish offices wheresoever they shall
168 think fit, within the United States, for the purposes of discount and deposit only, and upon the
169 same terms, and in the same manner, as shall be practised at the bank; and to commit the
170 management of the said offices, and the making of the said discounts, to such persons, under
171 such agreements, and subject to such regulations as they shall deem proper; not being contrary to
172 law, or to the constitution of the bank.

173 XVI. The officer at the head of the treasury department of the United States, shall be furnished,
174 from time to time, as often as he may require, not exceeding once a week, with statements of the
175 amount of the capital stock of the said corporation, and of the debts due to the same; of the
176 monies deposited therein; of the notes in circulation, and of the cash in hand; and shall have a
177 right to inspect such general accounts in the books of the bank, as shall relate to the said
178 statements. Provided, That this shall not be construed to imply a right of inspecting the account
179 of any private individual or individuals with the bank.

180 SEC. 8. And be it further enacted, That if the said corporation, or any person or persons for or to
181 the use of the same, shall deal or trade in buying or selling any goods, wares, merchandise, or

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182 commodities whatsoever, contrary to the provisions of this act, all and every person and persons,
183 by whom any order or direction for so dealing or trading shall have been given, and all and every
184 person and persons who shall have been concerned as parties or agents therein, shall forfeit and
185 lose treble the value of the goods, wares, merchandises, and commodities, in which such dealing
186 and trade shall have been; one half thereof to the use of the informer, and the other half thereof to
187 the use of the United States, to be recovered with costs of suit.

188 SEC. 9. And be it further enacted, That if the said corporation shall advance or lend any sum, for
189 the use or on account of the government of the United States, to an amount exceeding one
190 hundred thousand dollars; or of any particular state to an amount exceeding fifty thousand
191 dollars; or of any foreign prince or state, (unless previously authorized thereto by a law of the
192 United States,) all and every person and persons, by and with whose order, agreement, consent,
193 approbation, or connivance, such unlawful advance or loan shall have been made, upon
194 conviction thereof, shall forfeit and pay, for every such offence, treble the value or amount of the
195 sum or sums which shall have been so unlawfully advanced or lent; one fifth thereof to the use of
196 the informer, and the residue thereof to the use of the United States; to be disposed of by law and
197 not otherwise.

198 SEC. 10. And be it further enacted, That the bills or notes of the said corporation, originally
199 made payable, or which shall have become payable on demand, in gold and silver coin, shall be
200 receivable in all payments to the United States.

201 SEC. 11. And be it further enacted, That it shall be lawful for the President of the United States,
202 at any time or times, within eighteen months after the first day of April next, to cause a
203 subscription to be made to the stock of the said corporation, as part of the aforesaid capital stock
204 of ten millions of dollars, on behalf of the United States, to an amount not exceeding two
205 millions of dollars; to be paid out of the monies which shall be borrowed by virtue of either of
206 the acts, the one entitled .“An act making provision for the debt of the United States;” and the
207 other entitled “An act making provision for the reduction of the public debt;” borrowing of the
208 bank an equal sum, to be applied to the purposes, for which the said monies shall have been

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209 procured; reimbursable in ten years, by equal annual instalments; or at any time sooner, or in any
210 greater proportions, that the government may think fit.

211 SEC. 12. And be it further enacted, That no other bank shall be established by any future law of
212 the United States, during the continuance of the corporation hereby created; for which the faith
213 of the United States is hereby pledged.

214 APPROVED, February 25, 1791.

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