

The Alexander Hamilton Collection of John E. Herzog (1716)

October 25, 2021 EST, Philadelphia

Viewing:

Exhibition is open by appointment at our [1600 West Girard Avenue](#) location October 8-24. To make an appointment, please contact Colin Foley at cfoley@freemansauction.com.

Lot 16

Estimate: \$1500 - \$2500 (plus Buyer's Premium)

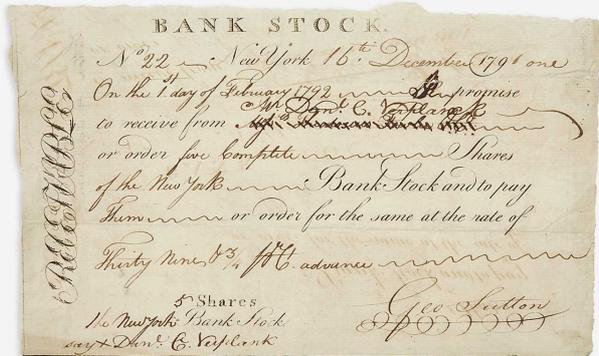
[Hamilton, Alexander] [Bank of New York] Partially-Printed "Receivable" for the Bank of New York

New York, December 16, 1791. One sheet, 4 3/4 x 7 3/4 in. (121 x 197mm). Partially-printed Bank of New York "Receivable" certificate (No. 22), for five shares, at \$39.75 per share, signed by George Sutton: "On the 1st day of February 1792 I promise to receive from Mr. Daniel C. Verplanck or order five complete shares of the New York Bank Stock and to pay Them or order for the same at the rate of thirty nine & 3/4 advance..."; docketed on verso. Creasing from original folds. A fine example.

Referred to as a receivable, this is a pre-printed form so transactions like this one must have occurred on a fairly regular basis, but this is the only form of this type we have ever offered and it is the only one found in the Verplanck archive. The rapid rise in stock prices was probably the reason Verplanck failed to exercise the receivable option, which would explain why the document remained with his business papers. A rare and possibly unique example.

When British occupation of New York City ended on November 25, 1783, most of the city was in a shambles. Dwindling trade, scarce money, and falling prices exacerbated an already dire situation for the city's residents and merchants. Sensing a pending crisis, in March 1784 Alexander Hamilton organized a meeting with other New York merchants in an effort to stabilize the volatile financial situation. At Hamilton's urging they adopted a constitution written by him (one that would be replicated by banks across the nation), and in June, the Bank of New York was founded and opened for business at the Walton House in Lower Manhattan. In 1789, the Bank of New York provided the United States its first loan in order to pay the salaries of the U.S. Congressmen and President Washington, and later was instrumental in helping quell the Crisis of 1791 and Panic of 1792.

At the time this "receivable" was issued, the United States financial market was recovering from a bank scrip bubble that occurred the previous fall when the newly opened Bank of the United States started offering stock, leading to quickly rising and plummeting prices. Largely through the efforts of Hamilton and the cashier of the Bank of New York, William Seton, the government purchased \$150,000 in New York public debt, and for the moment stabilized the market. Unbeknownst to Hamilton during this time were the actions of a cadre of New York bankers, led by financial speculator and former first Assistant Secretary of the Treasury, William Duer. Duer, alongside partner, Alexander Macombe, were attempting to manipulate the New York stock market by using



large loans to buy massive amounts of government paper and bank stock in an attempt to corner the market, sell them cheap overseas at massive profits, and simultaneously secure a controlling stake in the Bank of New York. By the end of December 1791 the securities market was improving, but by March of the following year, when Duer defaulted on his massive loans and was jailed, a panic ensued after prices plummeted and credit was restricted. Once again Hamilton turned to Seton at the Bank of New York, and through Hamilton's quick efforts, a disaster was averted. Without Hamilton's intervention, the Panic could have inflicted a fatal blow to the new nation and Hamilton's agenda, yet the economy sprung back, and with the Buttonwood Agreement between Wall Street's brokers soon to be established, American financial dominance was secured. *Rare.*