From the National Intelligencer.

IN THE SENATE OF THE UNITED STATES.

DEBATE ON THE VETO MESSAGE.

JULY 10, 1832.

Mr. Clayton rose for the purpose of adding to what had been suggested by gentlemen who had gone before him in the debate, his own views of the true issue tendered by the President to the country in the message under consideration. It was not merely the question whether the present Bank of the United States should be re-chartered—but whether ANY BANK WHATEVER should be established by the Government after the expiration of the act of Congtess incorporating that institution.

This message contains, said Mr. C. two sentences which I will venture to predict will be artfully quoted in the coming contest, to prove the very reverse of the position which I have laid down, and to delude the People who are to decide this question, as to the real opinions of the President in reference to the whole subject. We shall be told, sir, that, in the very first page of this document the President has admitted that "A Bank of the United States is, in many respects, convenient for the Government and useful to the People;" and that on the twelfth page of the same paper, he has said "that a Bank of the United States, competent to all the duties which may be required by the Government, might be so organized as not to infringe on our own delegated powers, or the reserved rights of the States, I do not entertain a doubt." Without stopping to inquire for what purpose these declarations have been introduced into the message, we cannot but anticipate the uses to be made of them hereafter; and as it is of importance to the whole country that no false colouring should be given to the Executive opinion, by the use of these isolated passages, I will consume so much of your time as may be necessary to dispel the illusion they are calculated to create.

I repeat, then, sir, that from the opinions of the President, as fully developed in this paper, it is not to be expected that during his administration, and while these sentiments remain unchanged, any Bank whatever can be established by this Government; and to shew it, I will content myself by referring to a few paragraphs in that part of his argument which labors to prove the present Bank charter unconstitutional:

On two subjects only does the constitution recognize in Congress the power to grant exclusive privileges or monopolies. It declares that "Congress shall have power to promote the progress of science and useful arts by securing, for limited times, to authors and inventors, the exclusive right to their respective writings and discoveries." Out of this express delegation of power have grown our laws of patents and copy-rights. As the constitution expressly delegates to Congress the power to grant exclusive privileges in these cases, as the means of executing the substantive power "to promote the progress of science and the useful arts," it is consistent with the fair rules of construction to conclude that such a power was not intended to be granted as a means of accomplishing any other end. On every other subject which comes within the scope of Congressional power, there is an ever living discretion in the use of proper means, which cannot be restricted or abolished without an amendment of the constitution. Every act of Congress, therefore, which attempts, by grants of monopolies, or sale of exclusive privileges for a limited time, or a time without limit, to restrict or extinguish its own discretion in the choice of means to execute its delegated powers, is equivalent to a legislative amendment of the constitution, and palpably unconstitutional."

Here, and elsewhere throughout the document, the grant of a charter to *individuals* for banking purposes is denounced as the "grant of a *monopoly*"—the "sale of exclusive privileges"—the "grant of exclusive privileges or monopolies" "equivalent to a legislative amendment of the constitution, and palpably unconstitutional." If a grant to one incorporated company, be a monopoly, we must also consider as monopolies several grants to several such companies. Twenty such grants to twenty such companies are as much sales of exclusive privileges to them, as that which is the peculiar and present subject of the President's animadversion. This objection, fatal to all charters by which private individuals are permitted to hold stock, could be obviated only by a grant of charters for banking purposes to all who ask them—a mode of avoiding the constitutional objection not to be supposed to have entered into the imagination of him who informed us, in his message of 1829, that even the present Bank had entirely failed in the great object of establishing a sound and *uniform* currency.

What manner of a National Bank is that, sir, in which the People of our country are to be prohibited from holding stock? Another important feature of this project is disclosed on the ninth page of the message!

"The Government is the only 'proper' judge *where* its agents should reside and keep their offices, because it best knows where their presence will be *'necessary.' It cannot, therefore,* be 'necessary' or 'proper' [that is, it is unconstitutional] to authorize the Bank to locate branches where it pleases to perform the public service, WITHOUT CONSULTING THE GOVERNMENT, AND CONTRARY TO ITS WILL"

The inference is then distinctly drawn, that a Bank, which can locate branches where it pleases, must be a Bank "for other than public purposes"—or, in other words, that the power to establish two branches in any State, "WITHOUT THE INJUNCTION OR REQUEST *OF THE GOVERNMENT*," is unconstitutional, because it is not necessary to the due execution of the powers delegated to Congress.

If any thing were wanted to demonstrate that the only Bank to the existence of which the President will ever yield his assent, is that "Government Bank founded on the revenues of the country," recommended in his former messages to Congress, we have it here. For it is in effect held by him that no bank can be constitutionally created over which the Executive is not to exercise absolute control. The "government" must have the power at all times to locate branches where it pleases, and as the power to establish or create involves the power to destroy or remove, it must, of necessity, exercise the authority to withdraw those branches whenever, in the exercise of its discretion, such branches shall appear not 'necessary," or "proper." By the word "government," as here used, is meant the EXECUTIVE alone: and by the Executive is meant the President. That is apparent from the whole context: Congress not being generally in session half the year, could not be alluded to as that "government," without the injunction or request of which, no branch bank ought to be established in the opinion of the President. It could not exercise the power. The fiscal concerns of the government are entrusted to the Executive in the absence of Congress, which is a body too unwieldy to manage their details, when it is in session, and (with deference to our dignity be it spoken) too ignorant of the practical science of banking to decide properly on the ten thousand questions which would enter into such a subject, were it divested of every political or party inducement to act improperly when its members shall be converted into bankers and bank directors. The plan disclosed as the only constitutional scheme is, to establish a bank as a "branch of the Treasury Department"—that department whose Head or Secretary is, by constitutional construction, removable by the President alone *at his pleasure*. In this bank or "branch of the Treasury," the funds of the nation—all the revenues of the government, are to be kept by the Secretary, who, being a quasi President and Cashier of the bank, can never "locate branches," or withdraw them, without the will of the President—and who, while in perfect subservience to the same will, is to check the issues of all the State Banks, by refusing to take their notes in deposite and for exchange, or by accepting them at pleasure.

In order that the views expressed in the passages cited may be more distinctly understood, I quote the messages of the President for the years 1829 and 1830, which furnish the soundest commentaries on that before us, and exhibit to us fully that plan of a bank which, as we have already seen, *can have no stockholders*, lest exclusive privileges should be granted, and the branches of which are to be located when and where the Executive may direct.

In the message of 1829, the President thus introduces the subject to Congress:

"The charter of the Bank of the United States expires in 1836, and its stockholders will most probably apply for a renewal of their privileges. In order to avoid the evils resulting from precipitancy in a measure involving such important principles, and such deep pecuniary interests, I feel that I cannot, in justice to the parties interested, too soon present it to the deliberate consideration of the Legislature and the People. *Both the constitutionality and the expediency* of the law creating *this* bank, are *well* questioned by a large portion of our fellow-citizens; and it must be admitted by all, that it has failed in the great end of establishing a uniform and sound currency.

"Under these circumstances, *if* such an institution is deemed essential to the fiscal concerns of the Government, I submit to the wisdom of the legislature, WHETHER A NATIONAL ONE, FOUNDED UPON THE CREDIT OF THE GOVERNMENT AND ITS REVENUES, might not be devised, which would avoid all *constitutional* difficulties, and, at the same time, secure all the advantages to the government and country that were expected to result from the present bank."

In *this* message the favorite, and to the view of the President, the only constitutional *project* of a Government Bank is very respectfully submitted to the wisdom of Congress, although, in the veto message under consideration, Congress is lectured because it did not submit the matter *to the Executive* before it dared to act. In the message of 1829, the Government Bank is suggested as one that would avoid all constitutional difficulties. In the veto message of 1832, all other banks are pronounced to be unconstitutional. First, because they have stockholders, and therefore are grants of exclusive privileges; and, Secondly, because they are not under the sole guidance and control of the Executive.

The President, in his message of 1830, is still more explicit.

"The importance of the principles involved in the inquiry whether it will be proper to re-charter *the* Bank of the United States, requires that I should again call the attention of Congress to the subject. Nothing has occurred to lessen in any degree the dangers which many of our citizens apprehend from *that* institution, as at present organized. In the spirit of improvement and compromise which distinguishes our country and its institutions, it becomes us to enquire, whether it be not possible to secure the advantages afforded by the present Bank, through the agency of a Bank of the United States, so modified in its principles and structure as to obviate *constitutional* and other objections. It is thought practicable to organize *such* a bank, with the necessary officers, AS A BRANCH OF THE TREASURY DEPARTMENT, based on the public and individual deposites, without power to make loans or purchase property, which shall remit the funds of the Government, and the expenses of which may be paid, if thought advisable, by allowing its officers to sell bills of exchange to private individuals at a moderate premium. Not being a corporate body, having NO STOCKHOLDERS, DEBTORS, OR PROPERTY, and but few officers, it would not be obnoxious to the *constitutional* objections which are urged against the present bank; and having no means to operate on the hopes, fears, or interests of large masses of the community, it would be shorn of the influence which makes that bank formidable. The States would be strengthened by having in their hands the means of furnishing the local paper currency through their own banks, while the Bank of the United States, THOUGH ISSUING NO PAPER, would check the issues of the State banks, by taking their notes in deposite and for exchange, only so long as they continue to be redeemed with specie. In times of public emergency, the capacities of such an institution might be enlarged by legislative provisions."

We see, then, why all other banks except this Government Bank are held to be unconstitutional. The reasons for which the Government Bank is considered as the only constitutional compromise to which the President can accede, are,

First, because it is not to be a *corporate* body. Of course it is not liable before any court, should it violate its duties, trample the State laws under foot, and prostitute itself to every political and ambitious design of the President, who would hold it in his power as absolutely as the very pen with which he signed this message. Wielding the immense revenues of the whole country; more than twenty millions annually—and vested with all the additional power which the whole *credit* of the nation could confer, it would, at the same time, stand above every law, to the enforcement of which a judiciial tribunal should be requisite.

Secondly, because it is to have no stockholders; of course no countervailing check to Executive influence is to be suffered to exist in the patriotism or interest of the people.

Thirdly, because it is to have no *debtors;* and consequently it is no part of its design to relieve the commercial embarrassments of the country during any of those fluctuations in trade which will often occur in any community. It is to furnish no relief to distress under any circumstances, and still it is to be a benefit to the *poor*.

Fourthly, because it is to have no *property*. By this is meant that it shall hold nothing but money. The same idea is thus enforced in the veto message.

"The Government of the United States have no constitutional power to purchase lands within the States, except 'for the erection of forts, magazines, arsenals, dock yards, and other needful buildings;' and even for these objects only 'by the consent of the Legislature of the State in which the same shall be.' By making themselves stockholders in the bank, and granting to the corporation the power to purchase lands for other purposes, they assume a power not granted in the Constitution, and grant to others what they do not themselves possess. It is not *necessary* to the receiving, safe keeping, or transmission of the funds of the Government, that the bank should possess this power; and it is not *proper* that Congress should thus enlarge the powers delegated to them in the Constitution."

Of course, if it receives the notes of a State Bank in payment of the revenue, which should become insolvent, or whose paper should depreciate, it can take no land or other property in compromise of the debt.

Another feature of this Government Bank is, that it is to have no loans, and issue no paper. Yet it is to accomplish what it is said by the President even the present Bank has failed to achieve—the establishment of a *uniform* and *sound* currency. A thousand State Banks, emitting a thousand different kinds of paper, in different parts of the whole country, with different degrees of credit attached to them, are thus to "furnish the local paper currency," which is to be UNIFORM. Stock note and paper banks, springing up as they did in 1812, and after the expiration of the charter of the old Bank of the United States, in every part of our immense territory, are to form for us a SOUND currency. Such have been the views of the President, since December, 1829, to this day, of a Bank of the United States. At every period, under any and all circumstances, he holds no bank to be constitutional, but such as I have described. Thus, in his message, at the commencement of the present session, he maintains the same views, and puts himself upon the country for a verdict in his favor while he expresses them:

"Entertaining the opinions *heretofore* expressed in relation to the Bank of the United States as at present organized, I felt it my duty, in my former messages, frankly to disclose them, in order that the attention of the legislature and the people should be seasonably directed to that important subject, and that it might be considered and finally disposed of in a manner best calculated to promote the *ends of the Constitution*, and subserve the public interests. Having thus conscientiously discharged a *constitutional* duty, I deem it proper, on this occasion, without a more particular reference to the views of the subject then expressed, to leave it for the present to the investigation of an enlightened *people* and their representatives."

I put it solemnly, now, to honorable men of all parties and opinions, to be answered in candor at this crisis in our affairs, what is this scheme, this *only constitutional* scheme of a National Bank? What are the features of that Bank, than which *there is no other* which can obtain the Executive sanction? It is, sir, that plan of a Government Bank which has been denounced by every other intelligent man, of every political party, in every part of the country. No one—not the most zealous political partisan—not even a single ribald editor, seeking office, has ever yet dared to stand up in the face of the country and proclaim the opinion that such a Bank could be tolerated in a free country. Both in and out of these halls such a scheme has been ridiculed by men of all parties. The Committee of Ways and Means of the other House, composed of his strongest political friends, in the first year of his administration, in their report on this part of the President's Message of 1829, speaking of the "corrupting influence which such an institution would exercise over the elections of the country," declared it to be "irresistible," and added—"No matter by what means an administration might get into power, with such a tremendous engine in their hands, it would be almost impossible to displace them without some *miraculous interposition of Providence*."

I ask, what is to be done for the country? All thinking men must now admit, that, as the present Bank must close its concerns in less than four years, the pecuniary distress, the commercial embarrassments, consequent upon its destruction, must exceed any thing which has ever been known in our history, unless some other bank can be established to relieve us. Eight and a half millions of the bank capital, belonging to foreigners, must be drawn from us to Europe. Seven millions of the capital must be paid to the government, not to be loaned again, but to remain as the President proposes, deposited in a branch of the Treasury, to check the issues of the local banks. The immense available resources of the present institution, amounting, as appears by the report of the other House, to $82,057,483, are to be used for banking no longer, and nearly fifty millions of dollars in notes discounted, on personal and other security, must be paid to the Bank. The State Banks must pay over all their debts to the expiring institution, and curtail their discounts to do so, or resort, for the relief of their debtors, to the old plan of emitting more paper, to be bought up by speculators at a heavy discount. The prediction of Mr. Lowndes in 1819 must be fulfilled, "That the destruction of the United States Bank would be followed by the establishment of paper money, he firmly believed; he might almost say he knew. It was an extremity, he said, from which the House would recoil." The farmer must again sell his grain to the country merchant for State Bank paper at a discount of from ten to twenty, or even thirty per cent., in the nearest commercial city. The merchant must receive from the farmer the same paper in exchange for all the merchandise he consumes. The merchant with this money must purchase other merchandise in the cities, and must often sell it at an advance on that price, to the farmer, of twenty per cent., to save himself from loss.

The depreciation of the paper thus operates as a tax on the farmer, the mechanic, and all the consumers of merchandise to its whole amount. The loss of confidence among men, the total derangement of that admirable system of exchanges which is now acknowledged to be better than exists in any other country on the globe, overtrading and speculation on false capital in every part of the country, that rapid fluctuation in the standard of value for money, which, like the unseen pestilence, withers all the efforts of industry, while the sufferer is in utter ignorance of the cause of his destruction; bankruptcies and ruin, at the anticipation of which the heart sickens, must follow in the long train of evils which are assuredly before us. Where then—where then, I demand to know, sir, is the remedy to save us? *In a Government Bank—a branch of the Treasury—without stockholders or property—without the power to issue a dollar of paper, or to loan a dollar of any kind—without the ability to deal in exchanges, except so far as may be necessary to pay its officers for standing behind the counter—controlling the State Bank emissions of unsound currency only by refusing to take their notes in payment of the custom house bonds when the Executive may think them about to prove refractory at an election.*

To such a Bank no Congress ever did nor ever will consent while we remain free men. I say, then, sir, that while these remain the opinions of the President, this Government can establish *no* Bank whatever.

The Veto Message before us, does also prescribe, as an indispensable requisite to the formation of a constitutional Bank, the insertion of a clause in any act for its establishment, granting to the States the right to tax the branches. All around me know, and the President well knew when he signed this, that Congress will never give their assent to such a principle—a principle by which the people of States which have no branches are to be taxed by States having branches. For that reason, also, I repeat, we can have *no* Bank. Let the country understand it.

The President complains of us as if we had really invaded his privileges in omitting to ask his opinion, before we dared to act on this subject. He not only claims the right to reject our bill when passed, but tells us roundly that had the Executive been called upon to furnish the project of a Bank, he does not doubt but *he* could have directed us how to make a constitutional Bank; and he adds "this *duty* would have been cheerfully performed by him." What duty? The duty of prescribing the whole course of our legislation while he reserves the right to reject it, when we have done it. When we wished to ask him the reasons for the removal of public officers, we were told that our demand on him would be a mere *brutem fulmen* which he would disregard. When we desired to know even of one of the heads of department why he had removed a thousand faithful public servants, his friends suppressed all inquiry into his conduct lest it might disclose impeachable matter.—When we knock we find the doors locked—when we fail to knock we are censured for neglect of duty. Sir, we did put this question to the President in the mode prescribed by the Constitution, and in no other. We passed a bill liable to no objection from constitutional scruples, as we thought—we restricted the powers of the present Bank in every provision of the bill, diminished the term of its charter from twenty to fifteen years, while we increased the amount of tax upon it from a million and a half (the former bonus) to three millions of dollars. We complied as we thought, with every proper suggestion of the Secretary of the Treasury, the executive officer, and the only officer whose duty it was by law to advise us on the subject, and who at the beginning of this session told us how important it was to re-charter this very Bank to enable him to collect the revenue and conduct the fiscal concerns of the Government. Yet we are gravely taxed for not asking "the Executive" what we should have done, and are reminded that it was *his* duty not only to *reject* our doings, but to legislate in advance of us—thus leaving us only to register his rescripts and submit to his will. If this doctrine be sound it was idle to speak of "submitting this measure to the wisdom of Congress" three years ago. The President had need only to have declared to us *sic volo, sic jubeo, sic veto,* and we might at once have returned to our homes. Sir, it would have been an infinitely more unimportant usurpation of power had the Senate, at the commencement of the present session, claimed it as their duty to inform the President what officers he should nominate for their advice and consent.

I should not have prolonged this debate at this late hour, by any remarks of mine, had I not felt the necessity of calling the attention of the Senate and the country to the true issue now tendered for our acceptance. The question once understood—whether we shall have *any* Bank to regulate our currency and relieve our distresses, I cannot doubt—I will not suffer myself to doubt—what will be the verdict of that country on the issue joined.

THE NEW TARIFF LAW.

We have thought it not unacceptable to our readers, to note the principal points of difference between this, and the Tariff acts now in operation. It will be perceived that the new act goes into effect on the 3d day of March next, and that provision is made, that any original packages of merchandise imported before the 3d of March, and remaining under the Custom House control on that day, shall pay only the reduced duties, and shall be entitled to the repayment of all sums exceeding the new rates, which may have been previously paid to them.

Notwithstanding the care of the Senate in correcting the grammatical construction of the Bill as it came from the House of Representatives, it will be remarked that some gross blunders still exist. The sixth clause of the woollens section continues to direct the *duties* to be stored instead of the *merchandise*, which the draughtsman probably intended.

By the present (old) Tariff, WOOL pays a specific duty of four cents per pound, in addition to an *ad valorem* duty of *fifty per cent.*

By the new Tariff, *wool* costing under *eight* cents a pound is free of duty; over *eight* cents it is to pay a specific duty of *four* cents and *forty per cent. ad valorem.*

On Woollens the present minimum system is abolished. Under the new law, plains costing 35 cents, pay *five* per cent. or less than *two* cents a yard; under the old duty they came under the 50 cent minimum and paid 45 per cent. or 22½ cents a yard. Plains under 33½ cents, pay by the present (old) tariff 14 cents per yard; under the new, five per cent. ad valorem, or not exceeding 1½ cents. Under the present (old tariff) woollens are rated under a complicated system of minimums, which make it tedious to form a complete comparison. The following table will show the alteration made on all goods costing between one dollar, and two dollars and fifty cents the yard. The first column contains the cost, the second the rate of duty under the new act, and the third the amount of alteration. Under the present (old) system, all this range comes under the $2 50 minimum, and pays $1 12½ a yard.

Cost.	*Rate of new duty per yard.*	*Decrease of duty.*
$1 05	52½ cents.	60 cents.
1 10	55	57½ "
1 15	57½	55 "
1 20	60	52½ "
1 25	62½	50 "
1 30	65	47½ "
1 35	67½	45 "
1 40	70	42½ "
1 45	72½	40 "
1 50	75	37½ "
1 55	77½	35 "
1 60	80	32½ "
1 65	82½	30 "
1 70	85	27½ "
1 75	87½	25 "
1 80	90	22½ "
1 85	92½	20 "
1 90	95	17½ "
1 95	97½	15 "
2 00	$1 00	12½ "
2 05	1 02½	10 "
2 10	1 05	7½ "
2 15	1 07½	5 "
2 20	1 10	2½ "
2 25	1 12½	equal.
2 30	1 15	2½ incr.
2 35	1 17½	5 "
2 40	1 20	7½ "
2 45	1 22½	10 "
2 50	1 25	12½ "

It will be seen that the new duty regularly decreases from the cost of $2 25 per yard, when it is equal under both Tariffs, down to the cost of $1 05 per yard, in which the duty is more than *fifty* per cent. less. Beyond the cost of $2 50, the same effect is produced, the new duty being 85 cents per yard less than the old one, at the cost of $2 55, and increasing up to the cost of $3 20 where the duties are again equal. The effect of the alterations is to reduce the duties on all cheaper cloths, and retain them on the higher.

Flannels and Baizes are reduced from 22 1-2 to 16 cents the square yard.

Brussels and Wilton Carpeting from 70 to 63 cents per square yard.

Venitian do. from 40 to 35 cents per square yard.

COTTON GOODS under the old Tariff pay 25 per cent. upon a minimum of 35 cents the yard. Under the new, plain cottons 25 per cent. on a minimum of 30 cents, and colored, &c. the same as before.

Cotton bagging is reduced from 5 cents to 3½ per yard.

Silk Goods from 30 to 10 per cent.

Irish Linens from 25 to 15 per cent.

Sugar (brown) from 3 cents to 2½ cents per lb. White from 4 to 3½ cents.

Tea from India and China *free;* from places other than beyond the Cape of Good Hope, ten cents per pound. Coffee *free.*

Salt is to pay *ten* cents per bushel of 56 pounds.

Hemp is reduced from $60 per ton to $40.

BAR and BOLT IRON not rolled pay now 1 cent per pound. Under the new tariff 4-5th of a cent.

The same rolled, now pay $37 per ton. New duty $30.

Pig Iron is reduced from 62½ cents to 50 cents per *cwt.*

Sheet and hoop do. from 3½ cents to 3 cts. per lb.

French wines in casks, (red) from 10 to 6 cents per gallon.

Do. do. do. (white) from 15 to 10.

To be reduced one half after 3d March, 1834.

The alteration in the duty on window glass consists in the abolishing of the highest minimum ($5 per 100 feet.)—*Balt. American.*

The Philadelphia Chronicle, in publishing an account of the celebration of the 4th of July, complains of the conduct of the blacks in that city. As the Philadelphians have the remedy in their own hands and do not use it, the inference may be indulged that those who have the power of correcting the evil are willing to submit to it. The following are the Chronicle's remarks:—

"We are sorry that there was more noise and disorder about the streets, in the afternoon and evening, than we have ever before noticed, the blacks and the blackguard boys being apparently left to behave as they pleased.

The lower sort of negroes were perfectly lawless; and in Sixth street below Spruce, through a great part of the day, were as insolent as if in the high street of Timbuctoo. These people have been growing worse and worse since the Southampton insurrection; and we are much mistaken if it is not found necessary, at no distant period, to reduce them into something like good order, by stronger measures than have ever yet been tried in this section of our country. They think nothing of taking the wall of a lady, in the rudest manner, in any of the streets; and those in which they muster principally, are often scarcely safe.

Before nine last evening, in Sixth just below Spruce street, a decent looking white man was seen running from a gang of blacks. Near the corner they knocked him down; and half a dozen were apparently about to trample on him, but were deterred by the interference of a citizen who happened to be passing. In less than a minute, however, this gentleman received two violent blows from fellows behind him; the gang, at this time, being not less than thirty. Another gentleman, who came up, was attacked by a fellow, who attempted to gouge him, but was knocked down. Half a dozen respectable men having now collected, the blacks took to their heels, and made their escape. They were chased; but secured themselves in the alleys below."

Balt. Chron.