

THE VEVAY TIMES

AND SWITZERLAND COUNTY DEMOCRAT.

BY ISAAC STEVENS.

"THE SENTINEL ON THE WATCH-TOWER OF LIBERTY."

AT \$2 PER ANNUM.

VOLUME IV.

VEVAY, INDIANA, THURSDAY, MAY 28, 1840.

NUMBER 26.

Published every Thursday Morning,
Corner of Ferry and Market streets, Vevay, Indiana.

TERMS:

Per year, paid in advance - - - \$2.00.
Paid within six months, - - - 2.50.
If not paid until the year expires, - - - 3.00.
No subscriber will be taken for a less term than six months, and in all such cases the subscription money will be required in advance.

Subscribers not residing in the county, will be required to pay in advance.

No paper will be discontinued until all arrearages are paid, unless at the option of the editor.

POLITICAL.

REMARKS OF MR. BUCHANAN,

OF PENNSYLVANIA.

In the Senate of the United States, March 30, 1840.—On the speech of Mr. Davis of Massachusetts, against the Independent Treasury Bill.

MR. PRESIDENT:—I rise to perform a painful but imperious duty, which lies to myself. The speech which I lately delivered in favor of the Independent Treasury bill, has been made the subject of criticism and censure in another part of this Capitol, under what rule or order I confess I cannot comprehend. In some portions of the country, at public meetings and in the public press, I have been denounced as the enemy of the laboring man, and have been charged with a desire to reduce his wages, and depress his condition to that of the degraded serfs of European despotism. Sentiments have been attributed to me, which I never uttered, and which my soul abhors. I repeat, what I declared in that speech, that if I could believe for a moment that the Independent Treasury bill would prove injurious to the laboring man, it should meet my unqualified opposition.

I had intended to embrace the first opportunity which presented of doing myself justice upon this subject. Business called me away, and I was absent whilst the Senator from Kentucky [Mr. Crittenden] addressed the Senate on the resolutions now before it. I understood that he had reference to the wages of labor, in no offensive term to me; however; but in such a manner as to have presented the opportunity which I so much desired. When the Senator from New York [Mr. Tallmadge] afterwards alluded to the same subject, the debate had assumed a personal character, and I was not the man to interfere against him in such a contest. He had said nothing which could excite any disposition on my part to pursue such a course.

Here I obtained the floor at any time during the past week, my explanation would have been short and simple. The means, and the only means, by which it was alleged, that I had sought to reduce the wages of labor to the standard of the hard money despots of Europe, was, by the introduction of an exclusive metallic currency into the country. Now, to such a radical change in our currency, I have ever been opposed. I have avowed my opposition repeatedly upon this floor and elsewhere; and never more distinctly than in my late speech in favor of the Independent Treasury. My motto has always been to reform, not to destroy the banks; and, I have endeavored to prove—with what success I must leave the public to judge—that such a radical reform in these institutions as would prevent violent expansions and contractions of the currency, and thus enable them always to redeem their notes in specie, would prove eminently beneficial to all classes of society, but more especially to the laboring man.

On Saturday evening last a message was sent me by a friend, requesting me to examine the published speech of the Senator from Massachusetts, [Mr. Davis,] and suggested that it contained an erroneous statement of the arguments which I had used in favor of the Independent Treasury bill. I examined his speech in the National Intelligence, having never read it before, and I confess, it struck me with the utmost astonishment. I found that, throughout, he had attributed to me arguments in favor of the bill which I never used; nor more, that the objections to the bill, which I had endeavored to combat, had been imputed to me as the very arguments which I urged in its favor.

I shall proceed to make some remarks upon his speech. In performing this duty it is my sole purpose to justify myself, without feeling the slightest disposition to do him injury.

In my remarks I urged the passage of the Independent Treasury Bill, because it would separate the banks from the Government, and would render the money of the people always secure, and always ready to promote their prosperity in peace and to defend them in war. Great as are the advantages, direct and incidental, which the country will derive from the passage of this bill, I knew that it could accomplish little or nothing, towards reforming our paper currency, or restraining the bank within safe limits. This opinion I had declared upon all occasions, and never more emphatically than in my late speech.

I stated that the additional demand for gold and silver which it might create would not exceed five millions of dollars per annum, according to the President's estimate; and that although this might compel the banks to keep more specie in their vaults in proportion to their circulation and deposits, yet that it would prove a very inadequate restraint upon excessive banking. Nay, more; I plumed myself upon the fact that I had been the first to suggest the amendment requiring the holders of Treasury drafts to present them for payment to the depositaries with as little delay as possible, for the express purpose of saving the banks from the injury which might be inflicted upon them by locking up a large surplus of revenue in gold and silver in the vaults of the depositaries. And I endeavored to prove, not only by my own arguments, but by the authority of one of the most distinguished financiers that this country has ever produced, that the banks never could be injured by the adoption of the Independent Treasury bill, unless in the event of a large surplus revenue, which would

not probably soon occur. I also stated that it would thus become their interest, as it already was that of the rest of the community, to prevent the accumulation of such a surplus. In referring to the blessings which would flow to the laboring man from the existence of a sound mixed currency, whose basis should be gold and silver, I expressly declared that the bill would exercise no great influence in producing this desirable result.

Again, in speaking of the effect which this measure would produce in reducing the amount of our imports—a consumption devoutly desired by all—what was my argument? That the bill would, in some degree, especially after June, 1842, diminish our imports; because we should then have a system of cash duties, which would operate as an encouragement to our domestic manufacturers.

One of the great objects of my speech was to answer the objections which had been urged against the Independent Treasury bill, by proving that it would not injuriously influence the business of the country in the manner which had been predicted by its enemies; and especially that it would produce little or no effect upon the sound and solvent banks of the country. I thought I had succeeded. It certainly never entered into my conception, that any person on the face of the earth could so far have mistaken my meaning as to attribute to me arguments in favor of the bill, as directly opposed to those which I urged, as darkness is to light.

You may judge then, Mr. President, of my astonishment, when, in the very second paragraph of the speech of the Senator from Massachusetts, I read the following sentence:

"The Senator from Mississippi [Mr. Walker] with his usual acknowledged ability, and the distinguished Senator from Pennsylvania [Mr. Buchanan] following in his track, have advanced the propositions that the embarrassments and distress with which the country has been grievously afflicted for several years past, and which now paralyze all its energies, are imputable to the pernicious influence of bank paper, that, this bill [the Independent Treasury bill] contains the necessary corrective, as it will check importations of foreign goods, suppress what they call the credit system, and by restoring a specie currency, reduce the wages of labor and the value of property. This is the character given to the measure by its friends, and alarming as the doctrines are, I am gratified that they are frankly avowed."

Now, sir, I openly declare, in the face of the Senate and the world, not only that no such doctrines were avowed by me, but that these remarks of the Senator are palpable, I will not say intentional misrepresentations both of the letter and spirit of my speech.

What sir, to attribute, to me the remark that this bill, by applying the necessary corrective to the pernicious influence of bank paper, "and by thus restoring a specie currency," will produce the disastrous consequences which he has enumerated; when a considerable portion of my argument was devoted to prove that the bill would produce no injurious effect whatever upon the sound and solvent banks of the country? Nay, more, that it would exert but a trifling influence indeed, if any, even in withdrawing within safe limits their loans and issues. Now, sir, it may be very ingenious, but it is certainly not very fair to put into the mouth of a friend of the bill, as arguments in its favor, the strongest objections which have been urged against it by its enemies. These would be so many admissions of its fatal consequences, and they would be the stronger when converted into arguments in its favor by one of its friends. Against the whole current of my remarks—against my express and reiterated declarations, both upon this and former occasions, that I was no friend to an exclusive metallic currency, but was in favor of well regulated State banks, how could the Senator be so far mistaken as to sit down and deliberately write what I had urged in favor of this bill, that, it would restore a specie currency, and thereby reduce the wages of labor and the value of property?

I leave for him to answer the question according to his own sense of justice towards a brother Senator who had never done him harm. But the Senator does not stop here. Through out his whole speech he imputes to me the use of such arguments in favor of the bill as I have stated, and dwells upon them at length—arguments which, if I had ever used, would prove conclusively that I was an enemy of the bill which I professed to advocate, and that scarcely even in disguise. This is the light in which he presents me before the world. Towards the conclusion of his speech, he caps the climax. He says:

"To follow out the case I have supposed: The income of every man, except the exporter, is to be reduced one half, in the value of wages and property, while all foreign merchandise will cost the same, which will obviously, in effect, double the price, as it will take twice the amount of the products of labor, to purchase it.

"I do not ascribe this power to the bill, but it is enough for me that its friends do. What response will the farmers, mechanics, manufacturers, and laborers, make to such a flagitious proposal?"

And all this the Senator says in a professed reply to me. He thus charges me with having ascribed to the Independent Treasury bill the power of reducing the income of every man in the country "one-half in the value of wages and property." Had I contended in favor of any such power, well might the Senator have said it was a "flagitious proposition." He would almost have been justified in the use of a term so harsh and unparliamentary.

Self-respect, as well as the respect which I owe to the Senate, restrains me from giving such a contradiction to this allegation as I deserve. It would surely not be deemed improper, however, in me, if I were to turn to the Senator, and apply the epithet which he himself has applied to the proposition he imputes to me, and were to declare that such an imputation was a "flagitious" misrepresentation of my remarks. So far from imagining that the Independent Treasury bill would restore to the country a me-

tallic currency, I believed that it would exercise but a slight influence in restraining the excesses of the banking system. Other and much more efficient remedies must be adopted by the States to restrain these excesses, and thus to prevent future suspensions. In my remarks, I stated distinctly what legislation would, I thought, be required to accomplish this purpose. In the first place, I observed that the banks ought to be compelled to keep in their vaults a certain

fair proportion of specie compared with their circulation and deposits; or, in other words, a certain proportion of inconvertible specie means, to meet their immediate responsibilities. 3d. That the foundation of a specie basis for our paper currency should be laid by prohibiting the circulation of bank notes, at the first under the denomination of ten, and after that under that of twenty dollars. 3d. That the amount of bank dividends should be limited. 4th. And above all, that upon the occurrence of another suspension, the doors of the banks should be closed at once, and their affairs should be placed in the hands of commissioners. A certainty that such

must be the inevitable effect of another suspension, would do more to prevent it than any other course. To reform and not to destroy, was my avowed motto. I know that the existence of banks and the circulation of bank paper, are so identified with the habits of our people that they cannot be abolished, even if this were desirable. Such a reform in the banking system as I have indicated, would benefit every class of society—but above all others the man who makes his living by the sweat of his brow. The object at which I aimed by these reforms was not a pure metallic currency, but a currency of a mixed character; the paper portion of it always convertible into gold and silver, and subject to as little fluctuation in amount as the regular business of the country would admit. Of all reforms, this is what the mechanic and the laboring man ought most to desire. It would produce steady prices and steady employment, and under its influence, the country would march steadily on in its career of prosperity, without suffering from the ruinous expansions and contractions and explosions, which we have endured during the last twenty years. What is the most essential to the prosperity of the mechanic and laboring man? Constant employment, steady and fair wages, with uniform prices for the necessities and comforts of life which he purchases, and payment for his labor in a sound currency.

Let us in these particulars compare the condition of the laboring man under the banking system which now exists, with what it would be under such reform as I have indicated. And first, in regard to constant employment. What is the effect of the present system of bank expansions and contractions and explosions, in this particular? Is it not absolutely certain, that under such a system, constant employment is rendered impossible? It is true that, during the short period whilst the bubble is expanding, and the banks are increasing their loans and their issues, labor of every kind finds employment—then buildings of all sorts are erected, manufacturers are established, and the carpenter and the mason and other mechanics, are in demand—public works are prosecuted and afford employment to an immense number of laborers. The tradesman of every description then finds customers, because the amount of paper in circulation produces a decisive appearance of prosperity and promotes a spirit of extravagance. But, sir, under this system, the storm is sure to succeed the sunshine; the explosion is certain to follow the expansion; and when it comes, and we are now suffering under it, what is then the condition of the mechanic and the laboring man? Buildings of every kind cease, manufactures are closed, public works are suspended, and the laboring classes are thrown out of employment altogether. It is enough to make one's heart bleed to reflect upon their sufferings, particularly in our large cities, during the past winter. In many instances the question with them was not what amount of wages they could earn, but whether they could procure any employment which would save them and their families from starvation. If our State Legislature, which alone possesses the power, would but regulate our bloated credit system wisely by restraining the banks within safe limits, our country would then be permitted to proceed with regular strides, and the laboring man would suffer none of these evils, because he would receive constant employment.

In the second place, what is the effect of the present system upon the wages of labor, and upon the prices of the necessities and comforts of life? It cannot be denied that that country is the most prosperous where labor commands the greatest reward; but this is not for a year merely—not for that short period of time when our bloated credit system is most expanded—but for a succession of years; for all time. Permanence in the rate of wages is indispensable to the prosperity of the laboring man. He ought to be able to look forward with confidence to the future, to calculate upon being able to rear and educate his family by the sweat of his brow, and to make them useful and respectable citizens. In this respect, what is the condition of the laboring man under our present system? Whilst he suffers more under it than any other member of society, he derives from it the fewest advantages. It is a principle of political economy confirmed by experience, that whilst the paper currency is expanding, the price of every thing else increases more rapidly than the wages of labor. They are the last to rise with the expansion, and the first to fall with the contraction of the currency. The price of a day's or of a month's labor of any kind—the price of a hat, a pair of boots, of a pound of leather, of all articles of furniture, in short, of manual and mechanical labor generally, is fixed and known to the whole community. The purchaser complains when these fixed prices are enhanced, and the mechanic or laborer, in order to retain his customers, cannot and does not raise his price until he is compelled to do it by absolute necessity. His meat, his flour, his potatoes, clothing for himself and his family, amount to an extravagant

price long before his compensation is increased. It was formerly supposed that the productions of meat and flour were so vast in our extended and highly favored land, that a monopoly of them would be impossible. The experience of the last two or three years has proved the contrary. The banks, instead of giving credit in small sums to honest men, who would have used the money wisely, in promoting their own welfare and as a necessary consequence, that of the community, have loaned it to monopolists, to enable them to raise the price of the necessities of life to the consumer. Have we not learned that a million of dollars has been advanced to them to an individual, for the purpose of enabling him to monopolize the sale of all the beef consumed in our Eastern cities? Do we not all know that this effort proved successful during the last year in raising the price of this necessary of life to twelve and sixteen cents, and even higher, per pound. Now, sir, although the wages of the laboring man were then nominally high, what was his condition? He could not afford to go into the market and purchase beef for his family. If his wages increased with the increasing expansion of our credit system, aggravated in its effects by the immense sales of State bonds in Europe, still the prices of all the necessities of life rose in a greater proportion, and he was not benefited. I might mention, also, the vast monopoly of pork produced by a combination of individuals extending from Boston to Cincinnati, which, by means of bank facilities, succeeded in raising the price of that necessary of life to an enormous pitch. What then did the laborer gain, even at the time of the greatest expansion? Nothing—literally nothing. The laborers were a suffering class, even in the midst of all this delusive prosperity. Instead of being able to lay by any thing for the present day of adversity, which was a necessary consequence of the system, the laborer was even then scarcely able to maintain himself and his family. His condition has been terrible during the past winter. In view of these facts, I said:

"All other circumstances being equal, I agree with the Senator from Kentucky, that that country is most prosperous where labor commands the highest wages. I do not, however, mean by the terms 'highest wages,' the greatest nominal amount. During the revolutionary war one day's work commanded a hundred dollars of continental paper; but this would have scarcely purchased a breakfast. The more proper expression would be, to say that that country is most prosperous where labor commands the greatest reward; where one day's labor will procure, not the greatest nominal amount of a depreciated currency, but most of the necessities and comforts of life. If, therefore, you should, in some degree, reduce the nominal price paid for labor, by reducing the amount of your bank issues within reasonable and safe limits, and establishing a metallic basis for your paper circulation, would this injure the laborer? Certainly not; because the price of all the necessities and comforts of life are reduced in the same proportion, and he will be able to purchase more of them for one dollar in a sound state of the currency, than he could have done, in the days of extravagant expansion, for a dollar and a quarter. So far from injuring, it will greatly benefit the laboring man. It will insure to him constant employment and regular prices, paid in a sound currency, which of all things he ought most to desire; and it will save him from being involved in ruin by a recurrence of those periodic expansions and contractions of the currency, which have hitherto convulsed the country."

Now, sir, is not my meaning clearly expressed in this paragraph? I contend that it would not injure, but greatly benefit the laboring man, to prevent the violent and ruinous expansions and contractions to which our currency was incident; and by judicious bank reform to place it on a settled basis. If this were done, what would be the consequence? That, if the laboring man could not receive a great nominal amount for his labor, as he did in the days of extravagant expansion, which must always, under our present system, be of short duration, he would be impoverished, and far more than indemnified, by the constant employment, the regular wages, and the uniform and more moderate prices of the necessary comforts of life, which a more stable currency would produce. Can this proposition be controverted? I think not. It is too plain for argument; "Mark me, I sir, desire to produce this happy result, not by establishing a pure metallic currency; but by reducing the amount of your bank issues within reasonable and safe limits, and establishing a metallic basis for your paper circulation." The idea plainly expressed is, that it is better, much better, for the laboring man, as well as for every other class of society, except the speculator, that the business of the country should be placed upon that fixed and permanent foundation which would be laid by establishing such a bank reform as would render it certain that bank notes should be always convertible into gold and silver.

And yet this plain and simple exposition of my views has been seized upon by those who desire to make political capital out of their version; and it has been represented far and wide, that it was my desire to reduce wages down to the prices received by the miserable serfs and laborers of European despots. I am most cheerfully leave the public to decide between me and my traducers. The Senator from Massachusetts, after having attributed to me the intention of reducing the wages of labor to the hard money standard through the agency of the Independent Treasury bill, has added, as an appendix to his speech, a statement made by the Senator from Maryland, [Mr. Merrick,] on the prices of labor in these hard money despots; and it is thus left to be inferred that I am in favor of reducing the honest and independent laborers of this glorious and free country, to the same degraded condition. The Senator ought to know that there is much intelligence among the laboring classes of this highly favored land to be led astray by such representations.

3. Payment of wages in a sound currency.—Under the present unrestricted banking system this is entirely out of the question. Nothing can ever produce this effect except the absolute prohibition of the issue of small notes. As long as bank notes exist of denominations so low as to render it possible to make them the medium of payment for a day's labor or a week's labor, so long will the laboring man be compelled to accept the very worst of these notes for his wages. Unless it may be at periods of the highest expansion, when labor is the very greatest demand, notes of doubtful credit will always be forced upon him. This was emphatically the case after the explosion of the banks in 1837. He could then procure nothing for his work but the miserable shimplaster currency with which the country was inundated. This he would not lay by for a rainy day, because he did not know at what moment it might become altogether worthless on his hands. The effect of it was to destroy all habits of economy. Besides as a class, laborers suffer more from counterfeit and broken bank notes than any other class of society. In order to afford the laborer the necessary protection against these evils, he ought always to be paid, in gold and silver, if the issue and circulation of small notes were entirely prohibited.

Thus, it will be perceived, that without the imposition of wholesome restrictions upon the banks, the laboring man can never expect to receive either constant employment, or steady and fair wages, paid in a sound currency, or to pay uniform prices for necessities and comforts of life, which he is obliged to purchase. Under our present system, every thing is in a state of constant fluctuation and change. Prices are high to-day, low to-morrow. Labor is in demand to-day, there is no employment to-morrow. There is no stability, no uniformity, under our present system. Of all men, laborers are the most interested in such a wise regulation of the banking system, by the states, as would prevent the violent expansions and contractions in the currency, and the consequent suspensions of specie payments under which we have been suffering.

Why, sir, under our present system we endure the evils, both of an exclusive hard money currency and a bloated paper system, without experiencing the benefits of either. The one is the inevitable consequence of the other. At the present moment we have reached a point of depression in the currency which the Senator from South Carolina [Mr. Calhoun] considers as low, or, lower, than a hard money standard. Here we are, without credit, because no man, for the prosecution of his necessary business, can procure a loan from the banks. They are now in that state of exhaustion which is the inevitable consequence of their former highly excited action. The case which Senator's suppose might exist, should we suddenly adopt a hard money currency, exists already. It is now fact, and not fancy. The man who purchased a property but one year ago, in the days of the highest expansion, for two thousand dollars, and paid half the purchase money upon it, could at this moment of depression, scarcely sell it for the remaining one thousand dollars. This is one of the greatest evils of our ever changing system, but such things must recur and recur again forever, unless some efficient remedy shall be applied.

But the Senator from Massachusetts has appealed to the ballot box in the most solemn manner, as the means of freeing the country from the calamities which he says I have admitted would flow from the passage of the Independent Treasury bill. I unite with him most freely in this appeal. His fear of the result in his own State is probably the best excuse he could make for the manner in which he has treated my speech. The morning is not merely dawning upon old Massachusetts; but a beautiful and brilliant Aurora is now shedding her light upon it, and giving promise of a bright and glorious day. We have at least an equal chance with the friends of the Senator, of carrying Massachusetts.

Mr. Webster. As good a chance as we have of carrying Pennsylvania.

Mr. B. said before I take my seat I shall answer this question: but at present I am speaking of the Senator's State. I will not venture to speculate to predict success to the cause of the Administration in Massachusetts at the next election, although my hopes are high. Year after year the cause of correct principles has been gradually advancing in that ancient and renowned commonwealth; and such a revolution in public opinion never goes backward.

The Senator appeals to the polls, and expects that the laboring men of the country will come to the rescue. In this I venture to predict he will be mistaken. He will find it to be a Herculean task to persuade the laboring man that the party with which he is identified is friendly to him and to his interests. What have we heretofore witnessed in the Senate? When the pre-emption bill was before this body, the Senator from Maryland [Mr. Merrick] attempted to deprive the poor man who had fled from the oppression of Europe to seek a home in the far West from enjoying its benefits unless he were a naturalized citizen. His proposed amendment was sustained by distinguished Whig members in debate; but was voted down by the