

Lincoln's Veto Message - Currency Bill, June 23, 1862

Having already issued United States notes worth \$5 and above, Lincoln hereby vetoes a bill to permit issues of irredeemable (fiat) bank notes of lower amounts, because of the large government savings that would plainly accrue from instead issuing fiat United States notes. A united legislature promptly agreed.



To the Senate of the United States:

The bill which has passed the House of Representatives and the Senate entitled "An act to repeal that part of an act of Congress which prohibits the circulation of bank notes of a less denomination than \$5 in the District of Columbia" has received my attentive consideration, and I now return it to the Senate, in which it originated, with the following objections:

1. The bill proposes to repeal the existing legislation prohibiting the circulation of bank notes of a less denomination than \$5 within the District of Columbia without permitting the issuing of such bills by banks not now legally authorized to issue them. In my judgment it will be found impracticable in the present condition of the currency to make such a discrimination. The banks have generally suspended specie payments, and a legal sanction given to the circulation of the irredeemable notes of one class of them will almost certainly be so extended in practical operation as to include those of all classes, whether authorized or unauthorized. If this view be correct, the currency of the District, should this act become a law will certainly and greatly deteriorate, to the serious injury of honest trade and honest labor.

2. This bill seems to contemplate no end which can not be otherwise more certainly and beneficially attained. During the existing war it is peculiarly the duty of the National Government to secure to the people a sound circulating medium. This duty has been under existing circumstances satisfactorily performed, in part at least, by authorizing the issue of United States notes, receivable for all Government dues except customs, and made a legal tender for all debts, public and private, except interest on public debt. The object of the bill submitted to me, namely, that of providing a small-note currency during the present suspension, can be fully accomplished by authorizing the issue, as part of any new emission of United States notes made necessary by the circumstances of the country, of notes of a similar character but of less denomination than \$5. Such an issue would answer all the beneficial purposes of the bill, would save a considerable amount to the Treasury in interest, would greatly facilitate payments to soldiers and other creditors of small sums, and would furnish to the people a currency as safe as their own Government.

Entertaining these objections to the bill, I feel myself constrained to withhold from it my approval and return it for the further consideration and action of Congress.

Abraham Lincoln