

the commanders of sailing vessels to re-capture any prizes which pirates may make of United States vessels and their cargoes, and the consular courts, now established by law in eastern countries, to adjudicate the cases, in the event that this should not be objected to by the local authorities.

If any good reason exists why we should persevere longer in withholding our recognition of the independence and sovereignty of Hayti and Liberia, I am unable to discern it. Unwilling, however, to inaugurate a novel policy in regard to them without the approbation of Congress, I submit for your consideration the expediency of an appropriation for maintaining a chargé d'affaires near each of those new states. It does not admit of doubt that important commercial advantages might be secured by favorable treaties with them.

The operations of the treasury during the period which has elapsed since your adjournment have been conducted with signal success. The patriotism of the people has placed at the disposal of the government the large means demanded by the public exigencies. Much of the national loan has been taken by citizens of the industrial classes, whose confidence in their country's faith, and zeal for their country's deliverance from present peril, have induced them to contribute to the support of the government the whole of their limited acquisitions. This fact imposes peculiar obligations to economy in disbursement and energy in action.

The revenue from all sources, including loans, for the financial year ending on the 30th June, 1861, was eighty-six million eight hundred and thirty-five thousand nine hundred dollars and twenty-seven cents, and the expenditures for the same period, including payments on account of the public debt, were eighty-four million five hundred and seventy-eight thousand eight hundred and thirty-four dollars and forty-seven cents; leaving a balance in the treasury, on the 1st July, of two million two hundred and fifty-seven thousand sixty-five dollars and eighty cents. For the first quarter of the financial year, ending on the 30th September, 1861, the receipts from all sources, including the balance of 1st of July, were one hundred and two million five hundred and thirty-two thousand five hundred and nine dollars and twenty-seven cents, and the expenses ninety-eight million two hundred and thirty-nine thousand seven hundred and thirty-three dollars and nine cents; leaving a balance, on the 1st of October, 1861, of four million two hundred and ninety-two thousand seven hundred and seventy-six dollars and eighteen cents.