Supplement.

PRESIDENT'S MESSAGE.

Fellow citizens of the Senate and of the House of Representatives:

The constitution of the United States provides that Congress shall assemble annually on the first Monday of December, and it has been usual for the President to make no communication of a public character to the Senate and House of Representatives until advised of their readiness to receive it. I have deferred to this usage until the close of the first month of the session, but my convictions of duty will not permit me longer to postpone the discharge of the obligation enjoined by the constitution upon the President "to give to the Congress information of the state of the Union, and recommend to their consideration such measures as he shall judge necessary and expedient."

It is a matter of congratulation that the Republic is tranquilly advancing in a career of prosperity and peace.

FOREIGN RELATIONS: CENTRAL AMERICA.

Whilst relations of amity continue to exist between the United States and all foreign powers, with some of them grave questions are depending, which may require the consideration of Congress.

Of such questions, the most important is that, which has arisen out of the negotiations with Great Britain in reference to Central America.

By the convention concluded between the two governments on the 19th of April, 1850, both parties covenanted, that "neither will ever occupy or fortify, or colonize, or assume or exercise any dominion over, Nicaragua, Costa Rica, the Mosquito coast, or any part of Central America."

It was the undoubted understanding of the United States, in making this treaty, that all the present States of the former republic of Central America, and the entire territory of each, would thenceforth enjoy complete independence; and that both contracting parties engaged equally, and to the same extent, for the present and for the future; and if either then had any claim of right in Central America, such claim, and all occupation or authority under it, were unreservedly relinquished by the stipulations of the convention; and that no dominion was thereafter to be exercised or assumed in any part of Central America, by Great Britain or the United States.

This government consented to restrictions in regard to a region of country, wherein we had specific and peculiar interests, only upon the conviction that the like restrictions were in the same sense, obligatory on Great Britain. But for this understanding of the force and effect of the convention, it would never have been concluded by us.

So clear was this understanding on the part of the United States, that, in correspondence contemporaneous with the ratification of the convention, it was distinctly expressed, that the mutual covenants of non-occupation were not intended to apply to the British establishment at the Balize. This qualification is to be ascribed to the fact, that, in virtue of successive treaties with previous sovereigns of the country, Great Britain has obtained a concession of the right to cut mahogany and dye-woods at the Balize, but with positive exclusion of all domain or sovereignty; and thus it confirms the natural construction and understood import of the treaty as to all the rest of the region to which the stipulations applied.

It, however, became apparent, at an early day after entering upon the discharge of my present functions, that Great Britain still continued in the exercise or assertion of large authority in all that part of Central America commonly called the Mosquito coast, and covering the entire length of the State of Nicaragua, and a part of Costa Rica; that she regarded the Balize as her absolute domain, and was gradually extending its limits at the expense of the State of Honduras; and that she had formally colonized a considerable insular group known as the Bay islands, and belonging, of right, to that State.

All these acts or pretensions of Great Britain, being contrary to the rights of the States of Central America, and to the manifest tenor of her stipulations with the United States, as understood by this government, have been made the subject of negotiation through the American Minister in London. I transmit herewith the instructions to him on the subject, and the correspondence between him and the British Secretary for Foreign Affairs, by which you will perceive that the two governments differ widely and irreconcileably as to the construction of the convention, and its effect on their respective relations to Central America.

Great Britain so construes the convention, as to maintain unchanged all her previous pretensions over the Mosquito coast, and in different parts of Central America. ese pretensions, as to the Mosquito t, are founded on the assumption of po- relation between Great Britain and co- nant of a tribe of Indians on that wh- tered into at a time when the Spait- try was a colonial possession of verted, cannot be successfully contro- and Am- by the public law of Europe dians or th- no possible act of such In- Great Brita- predecessors could confer on Great Brita- political rights.

of Spain as the- s not allege the assent Mosquito coast, - of her claims on the ry, by repeated and- has, on the contra- nounced and relinq- essive treaties, re- of her own, and reco- all pretensions sovereign rights of Spain the full and quivocal terms. Yet the- he most une- without solid foundation in- tensions, so and thus repeatedly abjure- eginning, recent period, revived by Gr- re, at a against the Central American S- Britain legitimate successors to all the said, the ju- risdiction of Spain in that region. They were first applied to only a defined part of the coast of Nicaragua, afterwards to the whole of its Atlantic coast, and lastly to a part of the coast of Costa Rica; and they are now reasserted to this extent, notwithstanding engagements to the United States.

On the eastern coast of Nicaragua and Costa Rica, the interference of Great Britain, though exerted at one time in the form of military occupation of the port of San Juan del Norte, then in the peaceful possession of the appropriate authorities of the Central American States, is now presented by her as the rightful exercise of a protectorship over the Mosquito tribe of Indians.

But the establishment at the Balize, now reaching far beyond its treaty limits into the State of Honduras, and that of the Bay islands, appertaining of right to the same State, are as distinctly colonial governments as those of Jamaica or Canada, and therefore contrary to the very letter as well as the spirit of the convention with the United States, as it was at the time of ratification, and now is, understood by this government.

The interpretation which the British government, thus in assertion and act, persists in ascribing to the convention, entirely changes its character. While it holds us to all our obligations, it in a great measure releases Great Britain from those, which constituted the consideration of this government for entering into the convention. It is impossible, in my judgment, for the United States to acquiesce in such a construction of the respective relations of the two governments to Central America.

To a renewed call by this government upon Great Britain, to abide by, and carry into effect, the stipulations of the convention according to its obvious import, by withdrawing from the possession or colonization of portions of the Central American States of Honduras, Nicaragua, and Costa Rica, the British government has at length replied, affirming that the operation of the treaty is prospective only, and did not require Great Britain to abandon or contract any possessions held by her in Central America at the date of its conclusion.

This reply substitutes a partial issue, in the place of the general one presented by the United States. The British government passes over the question of the rights of Great Britain, real or supposed, in Central America, and assumes that she had such rights at the date of the treaty, and that those rights comprehended the protectorship of the Mosquito Indians, the extended jurisdiction and limits of the Balize, and the colony of the Bay Islands, and thereupon proceeds by implication to infer, that, if the stipulations of the treaty be merely future in effect, Great Britain may still continue to hold the contested portions of Central America. The United States cannot admit either the inference or the premises. We steadily deny, that, at the date of the treaty, Great Britain had any possessions there, other than the limited and peculiar establishment at the Balize, and maintain that, if she had any, they were surrendered by the convention.

This government, recognizing the obligations of the treaty, has of course, desired to see it executed in good faith by both parties, and in the discussion, therefore, has not looked to rights, which we might assert, independently of the treaty, in consideration of our geographical position and of other circumstances, which create for us relations to the Central American States, different from those of any government in Europe.

The British government, in its last communication, although well knowing the views of the United States, still declares that it sees no reason why a conciliatory spirit may not enable the two governments to overcome all obstacles to a satisfactory adjustment of the subject.

Assured of the correctness of the construction of the treaty constantly adhered to by this government, and resolved to insist on the rights of the United States, yet actuated also by the same desire, which is avowed by the British government, to remove all causes of serious misunderstanding between two nations associated by so many ties of interest and kindred, it has appeared to me proper not to consider an amicable solution of the controversy hopeless.

There is, however, reason to apprehend, that, with Great Britain in the actual occupation of the disputed territories, and the treaty therefore practically null, so far as regards our rights, this international difficulty cannot long remain undetermined, without involving in serious danger the friendly relations, which it is the interest as well as the duty of both countries to cherish and preserve. It will afford me sincere gratification, if future efforts shall result in the success, anticipated heretofore with more confidence than the aspect of the case permits me now to entertain.

RECRUITMENT.

One other subject of discussion between the United States and Great Britain has grown out of the attempt, which the exigencies of the war in which she is engaged with Russia induced her to make, to draw recruits from the United States.

It is the traditional and settled policy of the United States to maintain impartial neutrality during the wars which from time to time occur among the great powers of the world. Performing all the duties of neutrality towards the respective belligerent states, we may reasonably expect them not to interfere with our lawful enjoyment of its benefits. Notwithstanding the existence of such hostilities, our citizens retain the individual right to continue all their accustomed pursuits, by land or by sea, at home or abroad, subject only to such restrictions in this relation, as the laws of war, the usage of nations, or special treaties, may impose; and it is our sovereign right that our territory and jurisdiction shall not be invaded by either of the belligerent parties, for the transit of their armies, the operations of their fleets, the levy of troops for their service, the fitting out of cruisers by or against either, or any other act or incident of war. And these undeniable rights of neutrality, individual and national, the United States will under no circumstances surrender.

In pursuance of this policy, the laws of the United States do not forbid their citizens to sell to either of the belligerent powers articles, contraband of war, or to take munitions of war or soldiers on board their private ships for transportation; and although, in so doing, the individual citizen exposes his property or person to some of the hazards of war, his acts do not involve any breach of national neutrality, nor of themselves implicate the government. Thus, during the progress of the present war in Europe, our citizens have, without national responsibility therefore, sold gunpowder and arms to all buyers, regardless of the destination of these articles. Our merchantmen have been, and still continue to be, largely employed by Great Britain and by France, in transporting troops, provisions, and munitions of war to the principal seat of military operations, and in bringing hom- their sick and wounded soldiers; but such use of our mercantile marine is not interdicted either by the international, or by our municipal law, and therefore does not compromit our neutral relations with Russia.

But our municipal law, in accordance with the law of nations, peremptorily forbids, not only foreigners, but our own citizens, to fit out, within the limits of the United States, a vessel to commit hostilities against any state with which the United States are at peace, or to increase the force of any foreign armed vessel intended for such hostilities against a friendly state.

Whatever concern may have been felt by either of the belligerent powers lest private armed cruisers, or other vessels, in the service of one, might be fitted out in the ports of this country to depredate on the property of the other, all such fears have proved to be utterly groundless. Our citizens have been withheld from any such act or purpose by good faith, and by respect for the law.

While the laws of the Union are thus peremptory in their prohibition of the equipment or armament of belligerent cruisers in our ports, they provide not less absolutely that no person shall, within the territory or jurisdiction of the United States enlist or enter himself, or hire or retain another person to enlist or enter himself, or to go beyond the limits or jurisdiction of the United States with intent to be enlisted or entered, in the service of any foreign state, either as a soldier, or as a marine or seaman on board of any vessel-of-war, letter of marque or privateer. And these enactments are also in strict conformity with the law of nations, which declares that no state has the right to raise troops for land or sea service in another state without its consent, and that, whether forbidden by the municipal law or not, the very attempt to do it, without such consent, is an attack on the national sovereignty.

Such being the public rights and the municipal law of the United States, no solicitude on the subject was entertained by this government, when, a year since, the British Parliament passed an act to provide for the enlistment of foreigners in the military service of Great Britain. Nothing on the face of the act, or its public history, indicated that the British government proposed to attempt recruiting in the United States; nor did it ever give intimation of such intention to this government. It was matter of surprise, therefore, to find, subsequently, that the engagement of persons within the United States to proceed to Halifax, in the British province of Nova Scotia, and there enlist in the service of Great Britain, was going on extensively, with little or no disguise. Ordinary legal steps were immediately taken to arrest and punish parties concerned, and so put an end to acts infringing the municipal law and derogatory to our sovereignty. Meanwhile suitable representations on the subject were addressed to the British government.

Thereupon it became known, by the admission of the British government itself, that the attempt to draw recruits from this country originated with it, or at least had its approval and sanction; but it also appeared that the public agents engaged in it had "stringent instructions" not to violate the municipal law of the United States.

It is difficult to understand how it should have been supposed that troops could be raised here by Great Britain, without violation of the municipal law. The unmistakable object of the law was to prevent every such act, which, if performed, must be either in violation of the law, or in studied evasion of it; and in either alternative, the act done would be alike injurious to the sovereignty of the United States.

In the meantime, the matter acquired additional importance, by the recruitment in the United States not being discontinued, and the disclosure of the fact that they were prosecuted on a systematic plan devised by official authority; that recruiting rendezvous had been opened in our principal cities, and depots for the reception of recruits established on our frontier; and the whole business conducted under the supervision and by the regular co-operation of British officers, civil and military, some in the North American provinces, and some in the United States. The complicity of these officers in an undertaking, which could only be accomplished by defying our laws, throwing suspicion over our attitude of neutrality, and disregarding our territorial rights, is conclusively proved by the evidence elicited on the trial of such of their agents as have been apprehended and convicted. Some of the officers thus implicated are of high official position, and many of them beyond our jurisdiction, so that legal proceedings could not reach the source of the mischief.

These considerations, and the fact, that the cause of complaint was not a mere casual occurrence, but a deliberate design, entered upon with full knowledge of our laws and national policy, and conducted by responsible public functionaries, impelled me to present the case to the British government, in order to secure, not only a cessation of the wrong, but its reparation. The subject is still under discussion, the result of which will be communicated to you in due time.

I repeat the recommendation submitted to the last Congress, that provision be made for the appointment of a commissioner, in connexion with Great Britain, to survey and establish the boundary line, which divides the Territory of Washington from the contiguous British possessions. By reason of the extent and importance of the country in dispute, there has been imminent danger of collision between the subjects of Great Britain and the citizens of the United States, including their respective authorities in that quarter. The prospect of a speedy arrangement has contributed hitherto to induce on both sides forbearance to assert by force what each claims as a right. Continuance of delay on the part of the two governments to act in the matter will increase the dangers and difficulties of the controversy.

Misunderstanding exists as to the extent, character, and value of the possessory rights of the Hudson's Bay Company and the property of the Puget's Sound Agricultural Company, reserved in our treaty with Great Britain relative to the Territory of Oregon. I have reason to believe that a cession of the rights of both companies to the United States, which would be the readiest means of terminating all questions, can be obtained on reasonable terms; and with a view to this end, I present the subject to the attention of Congress.

The colony of Newfoundland, having enacted the laws required by the treaty of the 5th of June, 1854, is now placed on the same footing, in respect to commercial intercourse with the United States, as the other British North American provinces.

The commission, which that treaty contemplated, for determining the rights of fishery in rivers and mouths of rivers on the coasts of the United States and the British North American provinces, has been organized and has commenced its labors; to complete which there is needed further appropriations for the services of another season.

SOUND DUES.

In pursuance of the authority, conferred by a resolution of the Senate of the United States passed on the 3d of March last, notice was given to Denmark, on the 14th day of April, of the intention of this government to avail itself of the stipulation of the subsisting convention of friendship, commerce, and navigation between that Kingdom and the United States, whereby either party might, after ten years, terminate the same at the expiration of one year from the date of notice for that purpose.

The considerations, which led me to call the attention of Congress to that convention, and induced the Senate to adopt the resolution referred to, still continue in full force. The convention contains an article, which, although it does not directly engage the United States to submit to the imposition of tolls on the vessels and cargoes of Americans passing into or from the Baltic sea, during the continuance of the treaty, yet may, by posibility, be construed as implying such submission. The exaction of those tolls not being justified by any principle of international law, it became the right and the duty of the United States to relieve themselves from the implication of engagement on the subject, so as to be perfectly free to act in the premises in such way as their public interests and honor shall demand.

I remain of the opinion that the United States ought not to submit to the payment of the Sound dues, not so much because of their amount, which is a secondary matter, but because it is in effect the recognition of the right of Denmark to treat one of the great maritime highways of nations as a close sea, and the navigation of it as a privilege for which tribute may be imposed upon those who have occasion to use it.

This government, on a former occasion not unlike the present, signalized its determination to maintain the freedom of the seas, and of the great natural channels of navigation. The Barbary States had, for a long time, coerced the payment of tribute from all nations, whose ships frequented the Mediterranean. To the last demand of such payment made by them, the United States, although suffering less by their depredations than many other nations, returned the explicit answer, that we preferred war to tribute, and thus opened the way to the relief of the commerce of the world from an ignominious tax, so long submitted to by the more powerful nations of Europe.

If the manner of paymen to fthe Sound dues differ from that of the tribute formerly conceded to the Barbary States, still their exaction by Demark has no better foundation in right. Each was, in its origin, nothing but a tax on a common natural right, extorted by those, who were at that time able to obstruct the free and secure enjoyment of it, but who no longer possess that power.

Denmark, while resisting our assertion of the freedom of the Baltic Sound and Belts, has indicated a readiness to make some new arrangment on the subject, and has invited the governments interested, including the United States, to be represented in a convention to assemble for the purpose of receiving and considering a proposition, which she intends to submit, for the capitalization of the Sound dues, and the distribution of the sum to be paid as commutation among the governments, according to the respective proportions of their maritime commerce to and from the Baltic. I have declined in behalf of the United States to accept this invitation, for the most cogent reasons. One is, that Denmark does not offer to submit to the convention the question of her right to levy the Sound dues. A second is, that, if the convention were allowed to take cognizance of that particular question, still it would not be competent to deal with the great international principle involved which affects the right in other cases of navigation and commercial freedom, as well as that of access to the Baltic. Above all, by the express terms of the proposition it is contemplated, that the consideration of the Sound dues shall be commingled with, and made subordinate to, a matter wholly extraneous, the balance of power among the governments of Europe.

While, however, rejecting this proposition, and insisting on the right of free transit into and from the Baltic, I have expressed to Denmark a willingness, on the part of the United States, to share liberally with othr powers in compensating her for any advantages, which commerce shall hereafter derive from expenditures made by her for the improvement and safety of the navigation of the Sound or Belts.

I lay before you, herewith, sundry documents on the subject, in which my views are more fully disclosed. Should no satisfactory arrangement be soon concluded, I shall again call your attention to the subject, with recommendation of such measures as may appear to be required in order to assert and secure the rights of the United States, so far as they are affected by the pretensions of Denmark.

FRANCE.

I announce with much gratification, that, since the adjournment of the last Congress, the question, then existing between this government and that of France, respecting the French consul at San Francisco, has been satisfactorily determined, and that the relations of the two governments continue to be of the most friendly nature.

GREECE.

A question, also, which has been pending for several years between the United States and the Kingdom of Greece, growing out of the sequestration, by public authorities of that country, of property belonging to the present American consul at Athens, and which had been the subject of very earnest discussion heretofore, has recently been settled to the satisfaction of the party interested and of both governments.

SPAIN.

With Spain, peaceful relations are still maintained, and some progress has been made in securing the redress of wrongs complained of by this government. Spain has not only disavowed and disapproved the conduct of the officers, who illegally seized and detained the steamer Black Warrior at Havana, but has also paid the sum claimed as indemnity for the loss thereby inflicted on citizens of the United States.

In consequence of a destructive hurricane, which visited Cuba in 1844, the supreme authority of that island issued a decree, permitting the importation, for the period of six months, of certain building materials and provisions, free of duty, but revoked it when about half the period only had elapsed, to the injury of citizens of the United States, who had proceeded to act on the faith of that decree. The Spanish government refused indemnification to the parties aggrieved until recently, when it was assented to, payment being promised to be made so soon as the amount due can be ascertained.

Satisfaction claimed for the arrest and search of the steamer El Dorado has not yet been accorded, but there is reason to believe that it will be, and that case, with others, continues to be urged on the attention of the Spanish government. I do not abandon the hope of concluding with Spain some general arrangement, which, if it do not wholly prevent the recurrence of difficulties in Cuba, will render them less frequent, and whenever they shall occur facilitate their more speedy settlement.

MEXICO.

The interposition of this government has been invoked by many of its citizens, on account of injuries done to their persons and property, for which the Mexican republic is responsible. The unhappy situation of that country, for some time past, has not allowed its government to give due consideration to claims of private reparation and has appeared to call for and justify some forbearance in such matters on the part of this government. But, if the revolutionary movements, which have lately occurred in that republic, end in the organization of a stable government, urgent appeals to its justice will then be made, and, it may be hoped, with success, for the redress of all complaints of our citizens.

CENTRAL AMERICA.

In regard to the American republics, which, from their proximity and other considerations, have peculiar relations to this government, while it has been my constant aim strictly to observe all the obligations of political friendship and of good neighborhood, obstacles to this have arisen in some of them, from their own insufficient power to check lawless irruptions, which in effect throws most of the task on the United States. Thus it is that the distracted internal condition of the State of Nicaragua has made it incumbent on me to appeal to the good faith of our citizens to abstain from unlawful intervention in its affairs, and to adopt preventive measures to the same end, which, on a similar occasion, had the best results in reassuring the peace of the Mexican States of Sonora and Lower California.

TREATIES.

Since the last session of Congress a treaty of amity, commerce, and navigation, and for the surrender of fugitive criminals, with the kindom of the Two Sicilies; a treaty of friendship, commerce, and navigation with Nicaragua; and a convention of commercial reciprocity with the Hawaiin kingdom, have been negotiated. The latter kingdom and the State of Nicaragua have also acceded to a declaration, recognising as international rights the principles contained in the convention between the United States and Russia of the 22d of July, 1854. These treaties and conventions will be laid before the Senate for ratification.

TREASURY.

The statements made, in my last annual message, respecting the anticipated receipts and expenditures of the Treasury, have been substantially verified.

It appears from the report of the Secretary of the Treasury, that the receipts during the last fiscal year ending June 30, 1855, from all sources, were sixty-five million three thousand nine hundred and thirty dollars; and that the public expenditures for the same period, exclusive of payment on account of the public debt, amounted to fifty-six million three hundred and sixty-five thousand three hundred and ninety-three dollars. During the same period, the payments made in redemption of the public debt, including interest and premium, amounted to nine million eight hundred and forty-four thousand five hundred and twenty-eight dollars.

The balance in the Treasury at the beginning of the present fiscal year, July 1, 1855, was eighteen million nine hundred and thirty-one thousand nine hundred and seventy-six dollars; the receipts for the first quarter, and the estimated receipts for the remaining three-quarters, amount, together, to sixty-seven million nine hundred and eighteen thousand seven hundred and thirty-four dollars thus affording in all, as the available resources of the current fiscal year, the sum of eighty-six million eight hundred and fifty-six thousand seven hundred and ten dollars.

If, to the actual expenditures of the first quarter of the current fiscal year, be added the probable expenditures for the remaining three-quarters, as estimated by the Secretary of the Treasury, the sum total will be seventy-one million two hundred and twenty-six thousand eight hundred and forty-six dollars thereby leaving an estimated balance in the treasury on July 1, 1856, of fifteen million six hundred and twenty-three thousand eight hundred and sixty-three dollars and forty-one cents.

In the above estimated expenditures of the present fiscal year are included three million dollars to meet the last instalment of the ten millions provided for in the late treaty with Mexico, and seven million seven hundred and fifty thousand dollars appropriated on account of the debt due to Texas, which two sums make an aggregate amount of ten million seven hundred and fifty thousand dollars, and reduce the expenditures, actual or estimated, for ordinary objects of the year, to the sum of sixty million four hundred and seventy-six thousand dollars.

The amount of the public debt, at the commencement of the present fiscal year, was forty million five hundred and eighty-three thousand six hundred and thirty-one dollars, and, deduction being made of subsequent payments, the whole public debt of the federal government remaining at this time is less than forty million dollars.

The remnant of certain other government stocks, amounting to two hundred and forty-three thousand dollars, referred to in my last message as outstanding, has since been paid.

I am fully persuaded that it would be difficult to devise a system superior to that, by which the fiscal business of the government is now conducted. Notwithstanding the great number of public agents of collection and disbursement, it is believed that the checks and guards provided, including the requirement of monthly returns, render it scarcely possible for any considerable fraud on the part of those agents, or neglect involving hazard of serious public loss, to escape detection. I renew, however, the recommendation, heretofore made by me, of the enactment of a law declaring it felony on the part of public officers to insert false entries in their books of record or account, or to make false returns, and also requiring them on the termination of their service to deliver to their successors all books, records, and other objects of a public nature in their custody.

Derived as our public revenue is, in chief part, from duties on imports, its magnitude affords gratifying evidence of the prosperity, not only of our commerce, but of the other great interests upon which that depends.

The principle that all moneys not required for the current expenses of the government should remain for active employment in the hands of the people, and the conspicuous fact that the annual revenue from all sources exceeds, by many millions of dollars, the amount needed for a prudent and economical administration of public affairs, cannot fail to suggest the propriety of an early revision and reduction of the tariff of duties on imports. It is now so generally conceded that the purpose of revenue alone can justify the imposition of duties on imports, that, in readjusting the impost tables and schedules, which unquestionably require essential modifications, a departure from the principles of the present tariff is not anticipated.

ARMY.

The army, during the past year, has been actively engaged in defending the Indian frontier, the state of the service permitting but few and small garrisons in our permanent fortifications. The additional regiments authorized at the last session of Congress have been recruited and organized, and a large portion of the troops have already been sent to the field. All the duties, which devolve on the military establishment, have been satisfactorily performed, and the dangers and privations in-