proportioning the former to the latter, and so adjusting the details of both, that the whole amount needed may be obtained with certainty, with due regard to the least possible inconvenience, and economy, with the least possible incidental benefit to the people.

The Secretary has given to this important subject the best consideration which the urgency of the varied public duties has allowed, and now submits the results of his study of the subject to the consideration of Congress, with great deference and no little distrust of his own judgment, the conclusions to which he has arrived. He is of the opinion that $80 000 000 should be provided by taxation, and that $240,000 000 should be sought through loans. It will hardly be disputed that in every sound system of finance adequate provision by taxation for the prompt discharge of all ordinary demands, for the payment of the interest on loans, and for the creation of a gradually increasing fund for the redemption of the principal is indispensable. Public credit can only be supported by public faith, and public faith can only be maintained by an economical, energetic, and prudent administration of public affairs and by the prompt and punctual fulfilment of every public obligation.

It has been already stated that the appropriations for the ordinary expenditures of the fiscal year 1862 including the permanent and indefinite descriptions, amounts to $65 887 819 34, and the interest to be paid on the debt to be incurred during the year has been estimated at $9,000,000 making an aggregate of ordinary expenditures of $74 887,849 34. If to these sums be added $5 000.000, as a provision for the reduction and final extinguishment of the public debt, the total will be $79,887,849 34.

To provide for these payments, it is proposed, in accordance with the principle just stated, to raise by taxation at least the sum of $80 000,000. In considering the choice of means to insure a revenue adequate to the purposes just indicated, the attention of the Secretary has been necessarily drawn to the different modes of taxation authorized by the Constitution. The choice is limited to duties on imports, direct duties, and internal duties on excises.

Duties on imports constitute the chief form of indirect taxation Direct taxation includes capitation taxes, taxes on real estate, and probably general taxes on personal property, included in lists embracing all descriptions, and valued by a uniform rule, while under the head of internal duties and excises may be included all taxes on consumption and taxes on special descriptions of personal property, with reference to use rather than value.

The principal advantage of the system of direct taxes is found in the sensibility with which they are felt and observed, in the motives thence arising for economy and fidelity in the Administration, and in the manifest equity of distributing burdens in proportion to means, rather than in proportion to consumption. On the other hand, the advantages of indirect taxation by duties on imports are found in the economy of collection, in the facility of payment, in the adaptability to the encouragement of industry, and, above all, in the avoidance of Federal interference with the finances of the States, upon which reliance for revenue for all objects of State administration, must necessarily be upon levies of property.

These considerations have doubtless determined the preference which has always been evinced by the people of the United States, as well as by their Legislative and Executive, for duties on imports as the chief source of national revenue. Only on occasions of special exigency has resort been had to direct taxation, or to internal duties or excises No departure is proposed by the Secretary from the line of policy thus sanctioned. He ventures to recommend only such modifications of the existing tariff as will produce the principal part of the needed revenue, and such resort to direct taxation or internal duties as circumstances may require, in order to make good whatever of duties may be found to exist

That the present tariff of duties will not produce the revenue required by sound principles of finance under the existing circumstances, is a proposition which will command general assent It was feared, indeed, with reference to a very different condition of affairs The receipts for the last quarter of the fiscal year just closed were only $5 527,246 33 and though a very considerable improvement in the revenue may be confidently anticipated during the current fiscal year, should no change be made in the rates of duties, it will be inadequate, beyond doubt, to the demands of the Treasury, which should be provided for without resort to loans. These demands, as has already been stated, will reach the sum of $79 887,849 34. a sum not greater, perhaps, than may be reasonably expected in more prosperous years from a well adjusted tariff of duties though greater than can now be expected from any tariff. The disorders of business incident to the disturbed condition of political affairs will be gradually redressed as new channels open to receive the trade obstructed in former courses, and new employments engage the industry displaced from former pursuits With this revival of trade and industry the revenue will improve, even though the restoration of peace may be delayed beyond our present hope. It is hardly to be doubted, moreover, that the great body of the citizens of the States now involved in the calamities of insurrection will, ere long, become satisfied that order and peace, and security for all rights of property, and for all personal and political rights in the Union and under the Constitution, are preferable to the disorder and conflict, and insecurity, necessarily incident to attempts to subvert the Government, break up its institutions, and destroy our nationality, by force and violence. When, under the influence of this reasonable conviction, the people of the several States now constrained by the criminal folly of political partisans into civil war against the Union, shall, in their turn, constrain these partisans to loyalty, to law, and obedience to the Constitution, it is not unreasonable to expect that with restored Union will come not merely renewed prosperity, but prosperity renewed in a degree and measure without parallel in the past experience of our country. While recommending the changes in the existing tariff, and the other revenue measures which seem to him necessary, the Secretary indulges, therefore, a confident expectation that they will ultimately prove wholly adequate to all reasonable demands, for the ordinary expenditures for the payment of interest and for the reduction of the public debt, and that they will moreover, by establishing the national credit on sure foundations, contribute in no inconsiderable degree to the revival of trade and industry which, by its healthful reaction, will in turn essentially promote the increase and security of the revenue.

The sources of revenue must promptly to be made available must be sought, doubtless, in the articles now exempt from duty or but lightly taxed. Nearly all of these articles have heretofore contributed in full measure to the national income It was only when the debts contracted in former wars for the establishment of our national independence or the vindication of our national rights had been fully paid, and the revenue had increased largely beyond any legitimate uses of government, that it was thought proper to remove the duties on some of them and largely reduce the duties on others. The intelligent patriotism which cheerfully sustained the former charges will even more cheerfully sustain those made necessary now for the preservation of our National Union, and the maintenance of the sovereignty of the people

Of the articles now lightly taxed, sugar, and those wholly exempt from duty, tea and coffee, are the most important. The Secretary most respectfully proposes to Congress that a duty of two and a half cents per pound be laid on brown sugar, of three cents per pound on clayed sugar, of four cents per pound on loaf and other refined sugars, of two and a half cents per pound on syrup of sugar cane, of six cents per pound on candy, of six cents per gallon on molasses, and of four cents per gallon on sour molasses; and it is also proposed that a duty of five cents per pound be imposed on coffee, fifteen cents per pound on black tea, and twenty cents per pound on green tea From these duties it is estimated that an additional revenue of not less than $15 000 000 annually may be raised, while the burden of the duties upon our own people will be, to some considerable degree, mitigated by a participation on the part of the foreign producers.

Without going into other details, of less importance, the Secretary thinks it proper to add in general, that from the proposed duties on articles now exempt, and from duties, changed duties, on articles now either lightly burdened, or so heavily taxed that the tax amounts to a prohibition, a further increase of revenue to the amount of $7,000 000 may be anticipated, and that the improving condition of trade and industry warrants a just expectation that revenue from the duties of the present tariff, not affected by the proposed changes, will not fall short of $30 000 000. He estimates, therefore, the total revenue from imports, during the present year, at $37 000 000, to which may be added the sum of $3 000 000 to be derived from the sale of the public lands and miscellaneous sources, making the total revenue for the year $80 000 000

While, therefore, there is every reason to believe that under a modified tariff, when the prosperity of the country shall be fully restored, an annual revenue of not less than $80 000 000, and probably more, may be realized, it will be necessary, in order to sustain fully the public credit, to provide for raising the sum of $20 000 000 for the current year at least, by direct taxes, or from internal duties or excises, or from both. The Constitution requires that the former be apportioned among the States in the ratio of the Federal population, and the latter need only be uniform throughout the United States. Taxes on real estate, and perhaps general taxes on personal property, must therefore be apportioned. Taxes on distilled liquors, on bank notes, on carriages, and similar descriptions of property, must not be higher in one State than taxes on the same articles in another State.

The Secretary submits to the direction and wisdom of Congress the determination of the question, whether resort shall be made to direct taxes, or to internal, or both, for the supply of the probable deficiency of that portion of the public resources, which, upon the principles already explained, must be furnished by taxation. The value of the real and personal property of the people of the United States, according to the census of 1860, is $16 102 924 116, or, omitting fractions, sixteen thousand millions of dollars. The value of real property is estimated at $11 272 053 881, and the value of the personal property at $4 832 870 235. The proportion of property of both descriptions in the United States excluding those at present under insurrection, is $10,900 758,009, of which sum $7 630 530 503 represents, according to the best estimates, the value of the real, and $3 270 227 404 the value of the personal property A rate of ¼ of 1 per cent. *ad valorem* on the whole real and personal property of the country would produce a sum of $20 128 667; a rate of 1.5 of 1 per cent. on the real and personal property of the States not under insurrection would produce the sum of $21,800 056, and a rate of 3 10 of 1 per cent. on the real property alone in these States would produce $22 891 590; either sum being largely in excess of the amount required. In some States the revenue, for all purposes of State polity, and municipal expenditure, is raised in this manner, and the assessments of real and personal property, levied on valuations made under State authority, form a certain and convenient method of collection. If such valuations existed in all the States, it would not be difficult, through the assumption and payment by the several States of their several proportions of the tax, or through the co-operation of the State authorities in its collection, or through Federal agencies created for the purpose, but using the State valuations to assess and collect the levy for national purposes It is the absence of such valuations in some of the States, and the uncertainty of effective co-operation in all, which makes the employment of an extensive and complicated Federal machinery for the collection of direct taxes necessary, and supplies the basis of the most serious objection against that mode of collecting revenue

It has been objected, and not without apparent reason, to a resort to direct taxes at this time, that, in consequence of the disturbed condition of the country, the apportionment required by the Constitution cannot be made The Secretary, however, adopts the opinion that the constitutional requirement will be satisfied if Congress, in the act of levying the tax, shall apportion it among the several States in the required manner. The tax cannot become unconstitutional because it may be difficult or even temporarily impossible to collect it as apportioned. If it were otherwise, the objection would be fatal to internal duties as well as to direct taxes; for in the present condition of the country it is impossible, whatever uniformity may be observed in the law imposing such duties, to make them uniform in collection. Internal duties may be collected more cheaply than direct taxes, by fewer agents, and with less interference with the finances of the States. They may also be made to bear mainly upon articles of luxury, and thus diminish, to a certain extent, the burdens imposed by duties on imports upon the classes of the people the least able to bear them.

It has been already shown that a light direct tax from (the Secretary ventures to suggest) very small properties may be properly and advantageously exempted, will produce the sum needed for the revenue. In the judgment of the Secretary the needed sum may also be obtained from moderate charges on stills and distilled liquors, on ale and beer, on tobacco, on bank notes, on spring carriages, on silver ware and jewelry, and on legacies. If both sources of revenue be resorted to, to the extent suggested, the amount required from loans will be proportionately diminished, and the basis of the public credit proportionately enlarged and strengthened. Whether both these modes of taxation be resorted to under the present emergency, or only one of them, the Secretary will but fily perform his duty to Congress or the people if he omits to urge the great importance, the absolute necessity indeed, of such full provision of the annual revenue as will manifest to the world a fixed purpose to maintain inviolate the public faith by the strictest fidelity to all public engagements

It will not, perhaps, be thought out of place if the Secretary suggests here that the property of those engaged in insurrection, or in giving aid and comfort to the insurgents, may properly be made to contribute to the expenditures made necessary by their criminal misconduct, as a part of the punishment due to the guilt of involving the nation in the calamities of civil war, and thereby bringing distress upon so many innocent persons Congress may justly provide for the forfeiture of the whole or part of the estates of the offenders, and for the payment of its proceeds into the public treasury.

Before dismissing the subject of the proper provision for ordinary expenditures, including the interest on the public debt, and a proper amount for a sinking fund, the Secretary respectfully asks the consideration of Congress of the question whether the current disbursements of the Government may not be themselves diminished. He ventures to suggest that a considerable saving may be judiciously effected by a reduction, for the time, of at least 10 per cent upon salaries and wages paid by the General Government, in cases where such reduction will not interfere with existing contracts, and that a further saving, perhaps not less considerable, may be effected by the abolition of the franking privilege and a reduction of postal expenses Retrenchment in other directions will doubtless suggest itself to the reflection of Congress; and it is most respectfully recommended that every retrenchment compatible with the vigor and efficiency of the public service be promptly and effectually made.

The Secretary has already said that, on the supposition that $80,000 000 may be raised by taxation in the mode proposed, or derived from the sales of the public lands and miscellaneous resources, it will still be necessary, in order to meet the extraordinary demands of the present crisis, to raise the sum of two hundred and forty millions of dollars by loans. A comparison of the acts by which loans have already been authorized, and of the loans actually made, will show what resources of this description are available under existing laws. The act of June 22d, 1860, authorized the borrowing of $21 000 000 at an interest of not above six per cent. Under this authority, Mr. Secretary Cobb, in October, 1860, negotiated a loan of $10 000 000, but from causes not necessary to be here specified, the takers of $2 978 000 failed to make good their offers The amount realized was, therefore, only $7,022,000, leaving for future negotiation, under the act, the sum of $13 978 000.

The act of February 8th, 1861, authorized another loan of $25,000 000 on bonds at 6 per cent., and permitted the acceptance of the best bids, whether above or below par. Under this act, in February, 1861, Mr. Secretary Dix disposed of bonds to the amount of $8 519 000 at rates varying from 90 15-100 to 96 10 100 for each $100, and realizing the sum of $7 243 500 35, leaving to be negotiated the sum of $16 995 000. The act of March 2d, 1861, commonly called the tariff act, authorized another loan of $10,000,000 at an interest not exceeding 6 per cent, and also authorized the Secretary of the Treasury to issue treasury notes in exchange for coin, or in payment of debts, for the amount of any bids not accepted under the act of February 8d, 1861, and for the amount of any loans restricted to par not taken under the proposals authorized by the act of January, 1860, or by the tariff act itself

Under the acts of February and March, 1861, the present Secretary in April 1861, disposed of $3 095 000 in bonds, varying in rates from 85 per cent. to par, and $4 901,000 in treasury notes at par: realizing for the $8,000,000 offered the sum of $7,814 809.80, to the Treasury, and in May, 1861, he disposed of $7,310,000 in bonds, varying in rates from 85 to 93 per centum; and $1,564,000 treasury notes at par; realizing for the $8,994 000 the sum of $7,922 553 45.

The present Secretary also invited proposals, at par, for $13 978 000, being the balance of the loan authorized by the act of June, 1860. No bids were received, except three for $12,000 in the aggregate, which, having been made under a misapprehension, were permitted to be withdrawn, or applied as offers for treasury notes at par, or for bids under the act of February, at 85 per cent. The Secretary has since, under the authority of March, 1861, issued treasury notes to officers at par, and in payment to public creditors to the amount of $2 584 580

The only authority now existing for obtaining money by loans is, therefore, found in the act of March 2d, 1861, which authorizes the issuing of bonds bearing an interest of 6 per cent., or in default of offers at par, the issue or payment of treasury notes bearing the same rate of interest at par to the amount of $10 000 000; and in the act of June 22d, 1860, is modified the act of March 2d, 1860, under which treasury notes at 6 per cent. may be issued or paid to creditors at par to the amount of $11,393 450; making in all an aggregate of loans authorized in some form, $21,393 450. This authority, under existing circumstances, is no further available than as creditors may desire to accept payment in treasury notes at 6 per cent, which is not to be expected, perhaps, as an alternative for delays of which a just or prudent Government will not, unless under extreme necessity, permit the occurrence.

It needs no argument to work the conviction that, under the existing laws, little or nothing of the required sum can be realized. The magnitude of the occasion requires other measures. As the contest in which the Government is now engaged is a contest for national existence and the sovereignty of the people, it is evidently proper that the appeal should be made, in the first instance, at least, to the people themselves; and it is highly desirable, in order that the circle of contribution may be widely extended, to make the burden press as lightly as possible upon each individual contributor; and, if possible, to transmute the burden into a benefit. To attain these desirable objects, the Secretary submits to Congress the expediency of opening subscriptions for a national loan of not less than $100,000 000, to be issued in the form of treasury notes or exchequer bills, bearing a yearly interest 7 3 10 per cent, to be paid half yearly, and redeemable at the pleasure of the United States after three years from date. The sum of $100,000,000 is named as the amount for which it now seems expedient to rely on a subscription of this kind. But it is not intended to restrain loans in this form to any precise limit short of the entire sum which may be required, in addition to the sums to be realized from other sources for all the purposes of the year. The interest of 7 3 10 per cent. is suggested because it is liberal to the subscriber, convenient for calculation, and, under existing circumstances, a fair rate for the Government.

It is beneficial to the whole people that a loan distributed among themselves should be made as advantageous to the takers as to inspire satisfaction and the hopes of profit rather than annoyance and fears of loss. And if the rate of interest proposed be somewhat higher than that allowed in ordinary times, it will not be grudged to the subscribers when it is remembered that the interest on the loan will go into the channels of home circulation, and is to reward those who come forward in the hour of peril to place their means at the disposal of their country. The convenience of calculation incident to the rate proposed is quite obvious. for the interest being equal to one cent a day on $50, it is only necessary to know the number of days since the date of a note, or the last payment of interest, to determine at a glance the amount due upon it. To increase still further this facility of calculation, it is proposed, to issue the treasury notes of the denomination in sums of $50, $100, $500, $1,000, and $5,000, with the amount of interest for specified periods engraved on the back of each note. The facility thus secured to the holder of determining the exact amount of the note and interest, without any trouble of computation, will materially enhance its value for all purposes of investment and payment. While the rate proposed is thus liberal and convenient, the Secretary regards it as fair, under existing circumstances, fair and equitable to the Government The bonds of the U. S. bearing interest of 6 per cent., and redeemable in twenty years after date, cannot be disposed of at current market rates, so that the interest on the amount realized will not exceed seven and three-tenths per cent. Nor is there any reason to believe that treasury notes, bearing an interest of six per cent., receivable for public dues and convertible into twenty-years six per cent. bonds, can be disposed of in any large amounts, so that the interest of the sum realized will fall much, if at all, short of the rate proposed, for the difference of interest, if any, between such notes and those of the proposed national loan, the Secretary thinks the absence of the feature of receivability for public dues in the latter is a sufficient compensation. To secure the widest possible circle of contribution, the Secretary proposes, in addition to the inducements just mentioned, that books be opened at the office of the United States Treasurer in Washington, at the offices of the Assistant Treasurers and depositories of public moneys, at the offices of such postmasters and other selected persons in such cities and towns of the Union as may be designated. That subscriptions be received for $50, or any sum being the multiple of $50; that the sums subscribed be paid in cash, or if the subscriber prefer, in instalments of one-tenth at the time of subscription, and one-tenth on the 1st and 15th days of each month thereafter the first instalment to be forfeited in case of the non payment of the subsequent instalments, and that interest accrue and be paid as it becomes due on all sums paid in from the day of payment, and that treasury notes be issued, if required, for all payments except the first instalment, and for these on final payment.

The Secretary cannot doubt that for a loan so beneficial and so advantageous, secured both as to interest and principal, by adequate provisions of revenue, an appeal to the people will be answered with promptitude and liberality In addition to the sums to be raised by a national loan, the Secretary proposes, in case it shall be found inexpedient to provide the whole amount needed in that mode, that bonds or certificates of debt of the United States be issued to lenders in this country, at rates not lower than par, for sums of $500, $1,000, and $10,000, or of 100, 500, and 1,000 pounds sterling, not exceeding, in the aggregate, $100,000,000, or if issued in the currency of Great Britain not exceeding £20,000 000 He proposes further that these bonds or certificates be made redeemable at the pleasure of the Government after a period not exceeding thirty years after a common date, not later than the 1st of January, 1862, and bear an interest not exceeding 7 per cent, payable in London, or at the Treasury of the United States, with the exchange at such rates as will make the payment equivalent to payment in London. If the ample provision already recommended for the punctual payment of interest and final redemption of the principal be made by Congress, the Secretary entertains a very confident expectation that it will be found practicable to negotiate a very considerable part of this loan, if not the whole, in our own country, at favorable rates, and that whatever part, if any, may be wanted from capitalists in other countries will be easily obtained. For whatever sums may be needed to supply the full amount required for the service of the fiscal year, and as an auxiliary measure to those already proposed, the Secretary recommends that provision be made for the issue of treasury notes for $10 or $20 each, payable one year after date to an amount not exceeding, in the aggregate, $50 000 000. These notes should bear an interest of 3 66-100 per cent., and be exchangeable at the will of the holders for treasury notes or exchequer bills payable after three years, bearing 7 3-10ths per cent. interest; or should it be found more convenient, they may be made redeemable on demand, in coin, and issued without interest. In either form, treasury notes of these smaller denominations may prove very useful if prudently used, in anticipation of revenue certain to be received. The greatest care will, however, be requisite to prevent the degradation of such issues into an irredeemable paper currency, than which no more certainly fatal expedient for impoverishing the masses and discrediting the Government can well be devised. The increase of public debt in consequence of the disturbed condition of the country, and from other sources, will clearly appear from a brief review. On the 1st of July, 1860, as shown by the last annual report, it was $64 769,703 08 It had been increased, on the 1st of January, 1861, to the sum of $66,243,721 83. It had been further increased, on the 7th of March, 1861, when the present Secretary took charge of the Department, to the sum of $76,455,299 28, and on the 1st of July, 1861, the close of the fiscal year, it had been still further increased to the sum of $90 867 828 66.

In connection with the general subject of revenue the Secretary thinks it his duty to invite the attention of Congress to the condition of foreign commerce, and of the commerce between the States as affected by the existing insurrection, at the ports of the several States of the Union. The collection of lawful duties on imports has been forcibly obstructed and prevented for several months. This condition of affairs, and the admission of foreign merchandise into these ports without the payment of duties to the United States, have given opportunity to many frauds on the revenue, and must necessarily occasion great and harmful disturbance of the regular commerce of the country. It is the province of Congress to apply the proper remedies for the evils, and the Secretary begs leave to suggest that the proper remedies may be found in closing the ports where the collection of duties is so disturbed, or by providing for such collection on shipboard, or elsewhere beyond the reach of such obstructions. Every independent nation exercises the right of determining what ports within its territorial limits shall be and what ports shall not be open to foreign commerce, and nothing can be clearer than that, where one or more ports may be temporarily in the possession of insurgents against the Government, suitable regulations may be prescribed by proper authority to guard the revenue against diminution, by adequate provision for its collection, elsewhere than within the port, or for depriving the port of its character as a port of entry or delivery until the insurrection shall be suppressed.

Great inconvenience and damage to the commerce among the States have already resulted from the same general cause. To mitigate these evils and to prevent, as far as possible, the perversion of commerce between the States into an agency for the supply of the insurgents and for sustaining and extending the insurrection, the Secretary issued the two circular orders to collectors, of which copies are herewith submitted to Congress. [NOTE.—These have already been published]

In framing these orders, the Secretary was necessarily much embarrassed by the absence of any law regulating commerce among the States, and by the necessity of conforming them to the conditions of hostility created by the insurrection. These conditions, under certain circumstances, would make all commerce illegal, while, under other circumstances, they would only make it criminal for the commerce carried on directly with insurgents To remove embarrassment, legislation is required, and the Secretary respectfully recommends a suitable enactment giving to the President the power to determine, by proclamation, or other notification, within what limits an insurrection has obtained for the time controlling ascendency, and must therefore be regarded as attended by the effects of civil war, in the actual suspension of commerce, and to authorize, by license such exceptions to that suspension as he may deem expedient and practicable. Such an enactment should also provide suitable penalties and forfeitures to be incurred by carrying on unlicensed commerce with insurgents, or places declared to be in a state of insurrection. In order to a clearer understanding of the views expressed in this report, and to insure the promptitude of action so important in this juncture, the Secretary most respectfully submits to the consideration of Congress a plan for increasing and improving the revenue, the draughts of bills to provide revenue from imports, and for other purposes; and another to authorize a national loan, and for other purposes, in compliance with the law on that subject; he also transmits detailed statements of the several negotiations for loans since the last annual report from the Treasury Department. The Secretary is fully and painfully aware that in presenting and submitting this report he labors under great and peculiar disadvantages. He has but recently assumed the charge of the vast and complicated concerns of his department, and he is deeply conscious how imperfectly he is qualified by experience, by talents, or by special acquirements, for such a charge. He understands, also, better perhaps than any one outside can understand, the difficulties incident to the task which he has now attempted the performance, augmented and multiplied beyond measure by the criminal insurrection, which deranges commerce, accumulates expenditures, necessitates taxes, embarrasses industry, depreciates property, cripples sentiment and frustrates progress He has simply endeavored, under these perplexing circumstances, to meet the case just as it is; to set forth plainly the actual condition of the public finances, and to indicate the means and measures by which, in his humble judgment, the evils of the existing situation may be mitigated, and finally removed.

The energies of a great people will, as he firmly believes, surmount all the troubles and calamities of the present time, and under the good hand of the God of our fathers out of these very troubles and calamities build a future which shall surpass the whole glorious past in the richness of its blessings and benefits.

All which he respectfully submits to the indulgent consideration of Congress. S P. CHASE, Secretary of the Treasury.

The Press.

SATURDAY, JULY 6, 1861.

**Forever float that standard sheet!**
**Where breathes the foe but falls before us!**
**With Freedom's soil beneath our feet,**
**And Freedom's banner streaming o'er us!**

### The President's Message.

The message of the President was sent to Congress yesterday. Its manly and patriotic tone will be universally admired, and it will fully meet the high expectations which the public had been led to form from the vigorous policy which has, up to this time, been pursued by the present Administration. There will be no fears in future of a retrograde step, no dread of a dissolution of the Confederacy while men and money can be found to support it—no apprehension of a compromise which is not based upon the complete re-establishment of the integrity of the Union. Events have clearly shown that the great body of the American people are true to their republican Government, and determined to enthusiastically sustain it, and they now have the authentic and unmistakable assurance that the Government will, in every legitimate mode, assist and direct their efforts until the Rebellion is completely subdued, and peace and order restored.

The message opens with an interesting review of the events which immediately preceded the fall of Sumpter, by which it is clearly shown that the insurgents were in every sense the aggressors, and that upon their heads rests the sole blame and responsibility for all the bloodshed which may be caused by the present conflict.

The frank and plain statement of the President in regard to the active measures he has been compelled to adopt, in view of the threatening proportions of the rebellion, will carry with it, to every patriotic mind, a conviction of the propriety of his course, and it will doubtless be promptly ratified, in every respect, by Congress.

In asking for the aid of 400,000 men and an appropriation of $400,000,000, for the purpose of "making this contest a short and decisive one," he echoes the general desire and expectation. The more speedily the war is ended the better it will be for all sections, and we should, as soon as possible, put into the field a force with which it would manifestly be vain for our antagonists to contend. We shall thus not only show the whole people of the South the folly of attempting to maintain their hostile and treasonable attitude, but diminish the probabilities of any interference in our affairs by European Governments.

The thorough exposure which the President makes of the folly of the Secession theory will be read with deep interest, and will go far to prove to the whole world the utterly illegal and revolutionary character of the movement of the insurgents.

A marked feature of the message is the tone of kindness which accompanies even its firmest declarations of an unalterable purpose to preserve the Union. A spirit of duty, and not of revenge, actuates the President, and he is ready to assure those sections which are now in arms that "after the rebellion shall have been suppressed," the Constitution and the laws will still be invoked to decide how they, like the loyal portions of the country, shall be governed.

THE warm weather is scattering our citizens seaward. The train for Atlantic City, at 4 P. M., this afternoon, will doubtless go crowded with those who enjoy a plunge in the breakers.

### The New Virginia Government.

There is something very cheering in the tone of the message of Governor PIERPONT, the new Executive of Virginia, who has established his capital, for the present, at Wheeling, to the new Legislature. He assumes broad and patriotic ground, and proceeding upon the impregnable doctrine that all legislation that conflicts with the National Constitution, which is the fundamental law of the land, is necessarily null and void, he advises the election of new United States Senators, to take the seats vacated by the withdrawal of the two traitors, HUNTER and MASON; publishes the prompt response of the Secretary of War to his appeal for aid to suppress the "rebellion and violence" which has broken out in the State, and proceeds to act in all matters of internal policy as vigorously as if JOHN LETCHER had never occupied the position which he has evidently forfeited by his treasonable conduct. Thus a precedent is set, which, as the campaign progresses, may be properly followed in other portions of the Union. We have now overawed treason in Delaware, Maryland, and Kentucky, and a gallant political and military battle is being waged against it in the Old Dominion which must result in its downfall. We are ready to hail, and assist as brethren, all who recognize allegiance to our common country, and to resolutely oppose all who attempt to establish or unite with a hostile Government within our dominions. Animated by this spirit, State after State must be rescued from the control of the insurgents as rapidly as our troops advance, and the loyal and intelligent citizens can be taught the wickedness and infamy of the designs of the traitor chieftains, the folly of attempting to maintain a rebellion which must inevitably be crushed, and the evils which would be entailed upon the whole American people by a destruction of the Confederacy under which they have enjoyed all their past prosperity and achieved all their greatness. In Tennessee, also, the nucleus for a loyal State Government has been formed, and before many weeks elapse we trust it will be in vigorous operation. In portions of North Carolina, Georgia, and Texas, evidences of the existence of a strong Union sentiment have recently been manifested, and it only needs the presence of our troops to guard the citizens from outrage and oppression, to elicit in portions of Louisiana, Alabama, or even of South Carolina, many expressions of continued attachment to the Federal Government. "Coercion" was never more freely and more cruelly resorted to than by the conspirators who sought to create a Revolution at the South, at the very moment they were trying to paralyze the nation by preventing it from making an effort to protect the property and the strongholds they had resolved to attack. By "coercion" they have controlled legislatures and conventions, intimidated popular assemblies, recruited armies, and swelled their revolt to its present formidable dimensions. But a judicious exercise of "coercion," under the skilful direction of Gen. SCOTT, at the head of an overpowering army, has already checked their onset, and will eventually destroy the whole movement. And when the real objects of the war are understood, our forces will everywhere be hailed as they were at Martinsburg on the 4th of July, as friends and deliverers, and Union governors and legislatures will be selected, as in Western Virginia, to take the place of those who have been the aiders and abettors of traitors.

### The Advance of Gen. Patterson.

The rapid advance of General PATTERSON, and the bravery displayed by the troops under his command, a large proportion of whom are Pennsylvanians, is the best answer that could be given to those who have been denouncing him because, like an experienced soldier, he wished to avoid any hasty and ill-advised step, and to complete all his preparations, before making an irresistible attack upon the enemy.

The published accounts show that while all have done their duty nobly, special credit is due to the Eleventh Regiment, commanded by Colonel JARRETT, formerly the engineer of the Sunbury and Erie Railroad, and to Capt. McMULLIN'S Philadelphia Rangers, who are fulfilling the high expectations which their fellow-citizens had formed from their known intrepidity and determined character.

### The Involuntary Volunteers.

The disadvantage of having an army composed to a large extent of men who are unwillingly in the service in which they are nominally engaged, must be seriously felt by the insurgent leaders. Notwithstanding all we have heard of the sympathy of the people of the South with the Secession movement, the fact is notorious that *impressment* has been one of their chief means of filling up their ranks, and their "volunteers" consist largely of involuntary soldiers. As a necessary consequence they embrace every opportunity that presents itself to desert, and in battle they might prove under favorable circumstances almost as dangerous to some of their Disunion companions as to the National army. Considering that the insurgents have not only a dangerous servile population to contend against, but that they are also obliged to keep a constant watch over a portion of their own associates to whose services they have no valid claim, while an irresistible force under the direction of Gen. SCOTT is hemming them in on all sides, their condition is far from enviable, and the period of their final overthrow cannot be far distant.

### The National Army.

The able and interesting report of the Secretary of War presents a gratifying account of the energy which has been displayed by the Administration, and of the grand outpouring of the patriotic spirit of the American people, since the insurgents inaugurated a war by their dastardly assault upon Fort Sumter. Notwithstanding the impatience and restlessness which has been evinced in many quarters, it will be seen that the services of a large force have been accepted, and that even after the discharge of all those whose term of enlistment is for but three months, there will still be left available for service 188,000 volunteers and 42,000 regulars, or a total of 230,000 officers and men, and if Congress sees proper to authorize a still larger army, it can readily be increased to 500,000 men.

A few days ago we mentioned that there has been, in this city, by the *Ocean Skimmer*, the first importation of Cognac brandy in bottles from France, under the late Tariff bill. The importation is of the best brands—namely, 1856, 1852, 1856, and 1858, and has been received from the United Vineyard Proprietors' Company, (George Sallignac, manager,) and is on sale by our friends J. M. Leslie & Co., No. 138 South Front street. We notice that the same firm advertises its justly celebrated Ginger Wine,—an agreeable, wholesome, stomachic, and most refreshing beverage,—which is equally good in summer and winter. That is, in hot weather with ice and water, and, in other seasons, with hot water, sugar, and a trifle of Jamaica, (a mixture which mortals call punch,) excessively acceptable to temperance folks, who have the good taste to be choice in their drinks.

### Wilson's Zouaves at Fort Pickens.

BEN MCCULLOUGH'S PROCLAMATION.

ST. LOUIS, July 5.—The Pensacola correspondent of the *Mobile Advertiser* says that the steamer *Vanderbilt*, arrived at Fort Pickens on the 24th ultimo, and landed Wilson's Zouaves.

The steamers *Illinois* and *Swan* had also arrived.

The Memphis *Appeal*, of the 24 inst., has published a proclamation from Ben McCullough, calling on all the citizens of Arkansas having State or private arms, to rendezvous at Fayetteville, where they will be formed in regiments and battalions and subsistence furnished.

He says that the troops of Missouri are falling back on you, and if they are not sustained you will be invaded and your homes desolated.

### Celebration of the Fourth at Camp Wayne.

FORMATION OF A BRIGADE.

WEST CHESTER, July 5.—A brigade, consisting of the First and Seventh Regiments, was formed yesterday, at Camp Wayne, under command of Col. R Biddle Roberts, of the First Regiment, Col. Harvey commanding the Seventh. They were joined by the volunteer companies of the borough, and Beck's brass band, and marched into town, forming on High street, where they were inspected by Major General McCall, and reviewed by Gov. Curtin.

The Governor was warmly received all along the line, and upon taking the right the procession marched to Everhart's Grove, where, after appropriate exercises, a substantial dinner was furnished the troops, by the good Chester county farmers of the vicinity, to which ample justice was done, and the men having given hearty cheers for the Constitution, the Governor, and the people of Chester county, returned to the camps well pleased with the most appropriate and patriotic manner in which the day had been celebrated.

SALE OF LACE MANTILLAS, &c.—The attention of the ladies is invited to the sale, this day, at ten o'clock, of fine lace mantillas, manties, &c., at Birch & Son's auction store, No. 914 Chestnut street.

# LATEST NEWS

## By Telegraph to The Press.

## FROM WASHINGTON.

### Special Despatches to "The Press."

WASHINGTON, July 5, 1861.

**Important Military Movements.**

There is a commotion to day, and an agreeable sensation running through the various regiments on *this side* the Potomac, growing out of the prospect of an early advance to the *other side* of the river.

Five companies of the Third U. S. Infantry, commanded by Major SYKES, crossed the river at 10 o'clock last night, and are now on Arlington Heights. The companies are B, Lieut. KEIM; H, Lieut. SHERIDAN; K, Lieut. MCDOOL; G, Lieut. WILLIAMS; D, Lieut. BELL and Lieut. PARKER; Lieut. W. H. DICKENSON, Adjutant.

Griffin's battery crossed at the same time, and is on Arlington Heights, prepared for a concerted forward movement.

**The Garibaldi Guard.**

This noble regiment went over the river this morning, to report at Alexandria. Their destination is beyond that point As they moved up the Avenue the band was playing and every soldier was singing spirited airs, and many of them carrying their rations on the point of their bayonets.

**The Rhode Island Regiments.**

I am informed on good authority, that the Rhode Island First and Second Regiments are ordered to move to-morrow evening into Virginia. These noble regiments are undoubtedly selected to take part in the *active* movement now evidently not far off in point of time or locality.

**The Seventy-first ordered to Virginia.**

The Seventy-first N. Y., at the Navy Yard, had their arms inspected to-day, and are ordered to be ready to march to-morrow evening. Their destination, with other regiments, is said to be *direct to Manassas Junction.*

The Seventy-first received their new uniform to-day, from New York, and will go over the river looking and feeling every man a soldier. I need not inform you that they are all elated by the order for a forward movement:

Their place at the Navy Yard will be supplied it is said, by a Michigan regiment.

**The Secretary of the Navy.**

I am officially authorized to say that the oft-repeated reports intimating the contemplated resignation of the Secretary of the Navy are without a word of truth. While the most perfect harmony prevails between the President, his Cabinet, and General SCOTT, each department is sustained in the detail of its duties by a corps of efficient and most industrious clerks. Captain FOX, chief clerk of the navy, is rarely out of his office until ten or eleven o'clock at night, often selecting the quiet hours of the night to bring up alone those despatches and documents which require personal attention. The same remark may apply to Mr. SANDERSON, chief clerk of the War Department, who, at 10½ o'clock P. M., takes a cold lunch in his office, and then applies himself for another hour or two to the pressing business of the Department. These positions are no sinecures

**Potomac Steamer Arrived.**

The steamtug *Reliance* arrived up the river at 3 o'clock yesterday. She reports all quiet along the banks of the river, and could not discover any indications of batteries.

**The Fourth at Night.**

Our city, though filled with strangers and soldiers yesterday, was quiet and orderly, and the evening and the night passed away without the occurrence of a riot. Occasionally a few soldiers would, under the influence of whisky, group together and get excited, but they were immediately, in every case, taken charge of by the extra mounted patrol, and sent, under guard, to their camps.

**Carrying Weapons.**

The commanders are justly complaining against the practice of soldiers carrying weapons when off duty and in the city It is urged that officers should imperatively insist that every soldier, before leaving camp to visit the city, should divest himself of his sidearms, and not be allowed to carry even a bayonet.

**Hotels Full.**

WILLARD'S, and the National, are full. At the former accommodations were denied to a large number who made application to-day.

**Serenaded.**

Messrs. GROW and ETHERIDGE were serenaded last evening, and were called out. They made short, but patriotic and spirited addresses.

**Piano for the White House.**

A splendid square piano, from Philadelphia, was received and put up at the White House to-day.

**Pub. Docs. by Telegraph.**

The members of Congress very generally disapprove of the plan adopted of sending lengthy and important public documents by telegraph. Notwithstanding the extraordinary efficiency of the telegraph, it is almost impossible to get a document of any considerable length through without being more or less mutilated. We refrain from printing in some papers, owing to the inaccuracy of the telegra