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The Press.

WEDNESDAY, DECEMBER 3, 1862.

REPORT OF THE SECRETARY OF THE NAVY.

NAVY DEPARTMENT, December 1, 1862.

It is due to the naval service that in this report I should, first of all, recount to you, and through you to Congress and the country, the operations and achievements of our naval forces during the eventful period which has elapsed since my last annual communication. Since the commencement of our national difficulties, four powerful squadrons have been collected, organized, and stationed for duty on our maritime frontier with a rapidity and suddenness which finds no approach to a parallel in previous naval history, and which it is believed no other country but our own could have achieved. These squadrons have been incessantly maintaining a strict blockade of such gigantic proportions that eminent foreign statesmen in the highest scenes of legislation did not hesitate, at its commencement, publicly to declare it as "a material impossibility;" and yet this most imposing naval undertaking had been for a period of eighteen months in operation, and after it which had been effectively extended along the entire sweep of our Atlantic and Gulf coasts, from the capes of the Chesapeake to the mouth of the Rio Grande, the same eminent authorities, with a list before their hands of all the vessels which had evaded or escaped the vigilance of our blockading forces, could not refuse in their official statements to admit with reluctant candor that the proof of the efficiency of the blockade was conspicuous and wholly conclusive, and that in no previous war had the ports of an enemy's country been so effectually closed by a naval force. But even such testimony was not needed. The proof of the fact abounds in the current price of our Southern staples in the great commercial marts of the world, and more especially in the whole industrial and commercial condition of the insurgent region. It should not be forgotten that no circumstance is wanting to attest the magnitude of this greatest of all naval triumphs. The industrial necessities and the commercial cupidity of all the principal maritime nations, armed and empowered as they are by the resources of modern invention, are kept at bay. A multitude of island harbors under foreign jurisdiction, looking nearly upon our shores, and affording the most convenient lurking places from which illicit commerce may leap forth to its prohibited destination and purpose, are so closely watched as to render the peril of all such ventures far greater than their enormous gains when successful. And finally, a vast line of seacoast nearly three thousand miles in extent, much of it with a double shore and honey-combed with inlets and harbors, has been so beleaguered and locked up that the whole of that large foreign commerce, which was the very life of the industry and opulence of the vast region which it borders, has practically ceased to exist.

DISTRIBUTION OF THE FORCE.

Some changes in the command of the squadrons and flotillas have taken place, and new organizations have been made during the year.

The North Atlantic squadron, guarding the Virginia and North Carolina coasts, continued in charge of Rear Admiral Goldsborough until the 5th of September, when he was relieved on his own request by Acting Rear Admiral S. P. Lee, who has since had that command.

In the South Atlantic squadron, which blockades the harbors and coasts of South Carolina, Georgia, and the eastern portion of the Florida peninsula, no change has taken place. Rear Admiral Du Pont, assigned to that squadron when it was first made a distinct organization, still remains in active and useful service on that highly interesting station.

The necessity of a division of the Gulf squadron having been stated to be necessary in my last annual report, it was consummated on the 21st of February, Flag-Officer McKean retaining command of the Eastern Gulf squadron, the limits of which comprised the southern and western portions of the Florida peninsula, commencing at Cape Canaveral on the eastern coast, and extending to Pensacola. On the 4th of June he was, on his own application, in consequence of impaired health, relieved by Acting Rear Admiral Lardner. This officer's health also giving way, he was compelled to ask to be relieved, and Commodore Theodore Bailey has been appointed his successor.

The Western Gulf squadron guarded a coast which, commencing at and including Pensacola, extended westward to the Rio Grande, and was, from a variety of causes, one of the most important and responsible commands ever entrusted to a naval officer. From the harbors and rivers subject to that blockade there are exported in peaceful times vast amounts of cotton, sugar, and other products. Within those limits are the ocean outlets of the great central valley of the Union; and in selecting the officer who should be put in command of the squadron, regard was had to an expedition for which the department had made extensive preparation, and in which the whole Government had participated, for the capture of New Orleans, and reopening the navigation of the Mississippi. After scrutiny and deliberate consideration this responsible position was entrusted to Captain D. G. Farragut, in the confident belief that his courage and energy were equal to the exigency.

Besides these large squadrons on our maritime frontier, it became a necessity at an early period of the insurrection to have an organized naval force on the Mississippi and its tributaries. On the 16th of May, 1861, Commander John Rodgers was directed to report to the War Department, which in the preliminary stages assumed the chief expense, for the purpose of initiating an armed flotilla on the Western waters, and immediately entered upon his duties. Proceeding to the West, he purchased steamers which, under his supervision, were fitted, armed, and armored as gunboats, and thus was commenced the organization of the Mississippi flotilla, which, a few months later, made itself felt in a succession of achievements that electrified the country. But before Commander Rodgers had an opportunity of completing his arrangements and taking his vessels into action, Captain A. H. Foote was appointed to the command of the flotilla. The labors commenced by Commander Rodgers swelled into gigantic proportions under Flag-Officer Foote, whose energies and talents were exerted in creating and preparing that navy on the Western waters, which he soon made so serviceable to the country. Painfully wounded at Fort Donelson, he was relieved on the 9th of May by Captain Charles H. Davis, who was soon after appointed chief of the Bureau of Navigation, and in October relinquished the command. By order of Congress the gunboat fleet was transferred to the navy, and now constitutes an important squadron, under the command of Acting Rear Admiral D. D. Porter, who entered upon his duties on the 15th of October.

The active operations of the Potomac flotilla ceased, in a great measure, after the erection of the extensive rebel batteries on the Virginia shore, in the autumn of 1861. For several months the commerce on this important avenue to the national capital was almost entirely suspended, though at no time was the passage of our armed naval vessels prevented. In March the batteries were abandoned by the insurgents, and the troops which garrisoned them were withdrawn. The advance of our army towards Richmond made the duty on the Potomac comparatively light during the spring and summer. At present the flotilla is under the command of Commodore Harwood, and is rendering good service by checking illicit traffic and capturing many prisoners and no small amount of property.

The transfer of the army to the York Peninsula, and its detention before Richmond, compelled the Navy Department to divert some of its gunboats and vessels destined for other service to the waters of James and York rivers. After the battle of Malvern Hill and the concentration of the army on James river, such was the condition of affairs that it became necessary to organize the vessels which had been retained to co-operate with and protect the army into a distinct organization. Captain Charles Wilkes was detailed for that duty on the 6th of July, and entered upon the work with energy; but the withdrawal of the army from the Peninsula in August released the vessels which had been diverted from their original destination, and rendered it unnecessary to continue an independent organization in James river. The flotilla was therefore disbanded on the 31st of August.

The persistent and systematic attempts to violate our blockade, and furnish assistance to the insurgents in defiance of our laws, made it necessary that specific and effective measures should be adopted to prevent these lawless proceedings. This purpose had been interrupted, and the proceedings to effect it delayed, in consequence of the detention of the navy before Richmond during the spring and summer, our vessels being indispensable auxiliaries while the army lingered on the upper waters of James river. Immediately on being liberated, a flying squadron was organized with a view of sweeping from our coast and the neighboring waters the lawless contrabandists who made it a business to violate our blockade and promote the efforts of those who are engaged in schemes to break up our Union and subvert the Government. The command of this flying squadron has been given to Acting Rear Admiral Wilkes, who sailed from Hampton Roads in the Wachusett on the 24th of September.

NAVAL EXPEDITIONS.

This exhibition of the distribution and attitude of our naval force naturally introduces a succinct history of that remarkable series of naval expeditions and operations along our Southern seaboard, and through the great rivers of the central valley, in which the power and valor of our navy have been so strikingly displayed. These expeditions, it must be remembered, were undertaken in addition to, or rather in aid of, the unrelaxing labors of the blockade. They were conceived and directed in the policy, early adopted and uniformly adhered to by this department, of the most active and strenuous prosecution of the war, so long as the war should last, and whenever and wherever an effectual blow could be struck against the power or resources of the rebellion by the naval force. In this view this department has constantly sought the co-operation of the army when such co-operation was indispensable to success, and when such co-operation was not indispensable the navy alone has acted. The result is that the Mississippi, the main artery of the great central valley of the Union, with its principal tributaries embracing many thousand miles of inland navigation which had been interrupted, is under our control, except at Vicksburg, where the rebels still retain possession, but from which, with a co-operating military force, they can at any time be expelled. Each one of our blockading squadrons has secured and holds a considerable portion of the coast within their respective limits, and in each there is a commodious and open port for rendezvous, refitment, and supply, where imports and exports may be made under the authority of a collector duly appointed by the National Government. Nearly the entire seaboard of the insurgent region, in its main points of commercial or strategic importance—from Norfolk and the outlet of the Chesapeake through Roanoke, Newbern, and Beaufort, N. C., Port Royal, Tybee, Fernandina, Key West, Pensacola, to New Orleans and Galveston—is practically in our hands, held fast and irrecoverably under the guns of our navy, or else garrisoned and governed by our military force. But a short time can elapse before the few remaining ports which are still in the possession of the insurgents will be reduced to our naval or military occupation and authority. When the insurrection is thus excluded from the coast there may be presented for decision, and its near approximation makes allusion to it justifiable, the grave and important question whether, in so far as relates to all such ports and places on the insurgent seacoast thus actually held and controlled by the national Government in time of war for war purposes, and by the power of war, it be not our right and duty to dismiss the costly apparatus and embarrassing formalities and rules of an international blockade, and to substitute in place of it, within all the ports and places held and occupied by our forces, our own domestic authority to control all trade therein, as we control everything else there, and thus to subject at such ports all commerce, coastwise and foreign, of export or import, to such conditions and restrictions and regulations, either of admission or exclusion, as a wise war policy may prescribe, and a present war power, afloat in the harbor, or on shore in a military custom-house, may enforce. Such has been the practice of nations in times of rebellion. Such was our practice in the Mexican ports which we held during the war with that country. Should such a policy be adopted, among other important advantages resulting from it would be the release of our fleets from much of their present harassing and exhausting blockade duty, and the immediate concentration of their activity in the protection of our commerce on the high seas, by the pursuit in augmented force, and the probably the speedy capture and punishment, of the marauders who now avail themselves of the incessant occupation of the mass of our naval force in other scenes of action, for the temporary prosecution of their piratical designs.

NORTH ATLANTIC SQUADRON—ROANOKE ISLAND.

At the commencement of the blockade constant annoyance was experienced from various sources by means of vessels of light draught, which made ingress or egress through the sounds and inner waters on the coast of North Carolina. To gain possession of the important points within the sounds was therefore necessary.

Early in January a joint expedition of the navy and army for operations in the waters of North Carolina moved from Hampton Roads, under the command of Flag-officer L. M. Goldsborough and Brigadier General A. E. Burnside, respectively.

The naval force, consisting of seventeen light-draught vessels with an armament of forty-eight guns, most of them of heavy calibre, arrived at Hatteras Inlet on the 13th of January, and in two days succeeded, though with labor and difficulty, in passing over the bulkhead and through the narrow, shallow, and tortuous channel; but the army transports were unable to surmount the obstacles, and be fully prepared for active co-operation, until some weeks later. On the morning of the 5th of February the combined expedition proceeded towards Roanoke Island; the naval vessels, placed by Flag-officer Goldsborough under the immediate command of Commander Stephen C. Rowan, were formed in three separate columns, commanded respectively by Lieutenants Reed Werden, Alexander Murray, and H. K. Davenport. On the morning of the 7th the vessels of the insurgents, eight in number, were discovered drawn up behind an extensive barricade, formed by a double row of piles and sunken vessels, stretching across the sound. At 10.30 the engagement commenced, and by noon became general. By 4 P. M., the batteries were temporarily silenced and the first landing of troops effected. At midnight over 10,000 troops had disembarked.

The engagement was renewed the following morning and carried on chiefly by the army until 1 P. M., when the fleet proceeded to open a passage through the obstructions, which was successfully accomplished by 5 P. M., and the national flag was hoisted on Pork Point. Firing other of their works and one of their steamers were the closing events of the day, the rebels yielding the island to our possession.

Retreating from Roanoke Island, the rebel naval fleet fled up the sound and into Pasquotank river, towards Elizabeth City, Commander Rowan pursuing them with the flotilla, anchoring for the night a few miles from Fort Cobb. At 8 A. M., February 10, the rebel steamers, under command of W. F. Lynch, formerly of the navy, were discovered drawn up behind a battery of four guns, supported by a schooner on the opposite side of the river, armed with two heavy 32-pounders. Fire was opened by the insurgents from the forts and steamers at long range. Commander Rowan pushed on steadily until within three-fourths of a mile, when he opened fire, and dashed ahead at full speed. This bold and wholly unanticipated onset dismayed the rebels, who hastily abandoned their works, which, with their entire fleet, were captured or destroyed.

Passing up the river the flotilla took possession of Elizabeth City. Lieutenant Murray was despatched with a small force to Edenton, of which he quietly took possession, and on returning from this duty he was sent to obstruct the Chesapeake and Albemarle Canal.

In this expedition there were five armed steamers and one schooner destroyed, and one steamer, the Ellis, captured.

CAPTURE OF NEWBERN AND WASHINGTON, N. C. AND CAPITULATION OF FORT MACON.

Flag-officer Goldsborough having been recalled to Hampton Roads, a combined army and naval expedition, under General Burnside and Commander S. C. Rowan, left Hatteras Inlet and arrived at Slocum's creek, the point selected for the disembarkation of the troops, on the 12th of March.

The next morning the landing of troops commenced, the gunboats shelling the woods at the point of landing as the troops advanced on shore. At the same time six naval boat howitzers with their crews, under command of Lieut. R. S. McCook, were landed to assist in the attack on the enemy's works. About 4 P. M. the first of the enemy's batteries opened upon our boats, and were answered at long range, the firing ceasing at sundown, and the fleet anchoring in a position to cover the troops. Early on the morning of the 14th, the army having engaged the enemy in force, Commander Rowan moved steadily up the river with his fleet, and the insurgents abandoned their forts in succession under the pressure of the combined columns moving upon them. On arriving at Newbern, the rebels having fled, Commander Rowan took possession of the place, and later in the day the army were moved across the Trent, and occupied the city.

The approach by the river to Newbern was heavily obstructed with piles and torpedoes, from which the vessels sustained some injury, and the passage was disputed by six forts, at distances of from half a mile to a mile and a half from each other, and mounting 32 guns, ranging from 32-pounders to 80-pound rifled cannon.

Lieutenant McCook is reported as having rendered most effective service with his naval battery, and Commander Rowan bears cheerful testimony to the gallant conduct of the officers and men of his entire command. Several steamers and schooners, large quantities of pitch and turpentine, and a valuable stock of arms and munitions of war, fell into our hands with the capture of Newbern.

After the fall of Newbern, Lieutenant Commanding A. Murray was despatched with a naval column, accompanied by a detachment from the army, to take possession of Washington, N. C. Forcing a passage through the obstructions in the approach to that place, he arrived there on the 21st of March, and it was surrendered to him without resistance.

The batteries on shore having, on the morning of the 25th of April, opened fire on Fort Macon, Commander Samuel Lockwood, senior officer of the blockading fleet off Beaufort, prepared his vessels for action, and proceeded within range of the fort. Fire was opened from the steamers Daylight, the State of Georgia, and the Chippewa, and the bark Gemsbok, which was continued about an hour and a quarter, when they were compelled to haul off on account of the heavy sea. In the afternoon a flag of truce was displayed from the fort, which, on the next morning, surrendered to Major General Burnside. Commander Lockwood united in signing the articles of capitulation on the part of the United States.

AFFAIR AT WEST POINT.

The arrival of the Army of the Potomac on the York peninsula rendered it necessary to detail several gunboats, chiefly from the North Atlantic squadron, within whose limits it is, to convoy the transports and protect the right flank of the army on its march along the York and Pamunkey rivers. While on this service, on the 7th of May, the enemy, in large force, attacked General Franklin's division, constituting the right wing of the army at West Point, the junction of the Pamunkey and Matapony. The assistance of the navy was requested by General Franklin; and Commander William Smith, senior officer of the naval forces in York river, ordered the gunboats Wachusett, Maratanza, and Sebago to the support of General Franklin. These vessels, taking a position as near the insurgents as possible, opened upon them with great effect. Their fire soon began to slacken, and they commenced their retreat. The aid rendered by our gunboats on this occasion was most essential, enabling General Franklin to hold his position and to repel the rebels.

On the 15th of May the Galena, Monitor, Aroostook, Port Royal, and Naugatuck, all under command of Commander John Rodgers, ascended James river, with no serious obstructions until near Ward's or Drury's Bluff, where piles and sunken vessels disputed their further passage, and a heavy battery exposed the vessels to a plunging fire. The Galena and Monitor ran within six hundred yards of the bluff; but the latter was obliged to drop down several hundred yards, as her guns could not be sufficiently elevated for effective service. An action of three hours' duration took place, when, owing to a scarcity of ammunition, the vessels retired to City Point without silencing the battery. The Naugatuck was unfortunately disabled by the bursting of her rifle gun. The men on the vessels were exposed during the contest to a constant fire from sharp-shooters concealed in rifle pits on the river bank; but officers and men exhibited great coolness and courage throughout the engagement.

SOUTH ATLANTIC BLOCKADING SQUADRON.

In my annual report in December, 1861, mention was made of the plans and investigations which had been projected during the summer preceding for seizing and holding some of the important ports on the Southern coast, and that the command of the South Atlantic squadron had been given to Flag-officer DuPont, chairman of the commission which had been selected by the Department to make examination and report on this subject. I was also enabled to communicate his services at Port Royal and Beaufort, in South Carolina, and the capture of Tybee Island, at the mouth of the Savannah river, in November.

Following up these successes, and in order to carry out the original purpose of his command, in addition to the duties of maintaining a blockade of the coast, Flag-officer DuPont and the squadron became actively engaged in examining the waters and islands on the South Carolina and Georgia coasts, preparatory to their military occupation. Expeditions were sent to St. Helena, North and South Edisto, Warsaw inlet, Tybee and other islands, and other important localities. The necessity of guarding these points until the army was prepared to hold them employed no inconsiderable portion of the naval force in that quarter.

On the 1st of January a force of five gunboats, under Commander C. R. P. Rodgers, was detailed to co-operate with a column of troops, under Brig. General Stevens, in certain military operations in the vicinity of Beaufort, South Carolina. The movements, both naval and military, were conducted with success. The effective action of the navy on this occasion elicited from the late gallant General Stevens a very complimentary acknowledgment, and the entire management of the expedition is commended in high terms by Flag-officer Dupont.

FORT PULASKI.

At the commencement of the project of cutting off communication between Fort Pulaski (held by the rebels) and Savannah, the ultimate repossession of that fort, received consideration and was prepared for by frequent and successful reconnoissances. An expedition being in the course of preparation to capture Fernandina and other points South, the occasion was not permitted to pass unimproved of making a reconnoissance which would serve as a demonstration upon Savannah and cover up the real purpose, which was an attack on Fernandina.

Accordingly, on the 27th of January, a fleet of gunboats, under Flag-Captain Charles H. Davis, and of transports conveying a column of troops under Brigadier General Wright, entered Little Tybee river, and passed beyond the highlands of Wilmington Island. They examined the creeks and localities, and obtained much valuable information, so necessary to future successful military operations.

While on this service five steamers, the rebel fleet of Commodore Tatnall, made their appearance. Captain Davis and Commander John Rodgers, who was at anchor in Wright river, opened upon them. A short but spirited engagement of less than half an hour followed, when a part of the rebel fleet was forced back, and the remainder escaped to Fort Pulaski. The appearance of such a force in Wilmington and Warsaw Sounds created a sense of alarm at Savannah, inducing the withdrawal of troops from other points, in anticipation of an attack on that city. In the capture of Fort Pulaski, a purely military operation, which occurred some months afterwards, August 11th, the navy had the good fortune to participate, a detachment of officers and men from the Wabash serving in one of the breaching batteries, and having the management of four rifle guns in Battery Sigel.

REPOSSESSION OF FERNANDINA, ST. MARY'S, FORT CLINCH, JACKSONVILLE, ST. AUGUSTINE, BRUNSWICK, &c.

The repossession and reoccupation of the eastern coast of Florida was another of the primary objects on the part of the South Atlantic organization. Flag-officer Dupont sailed from Port Royal in the Wabash on the last day of February, and on the 2d of March, transferring his flag to the Mohican, entered Cumberland Sound in that vessel, accompanied by eighteen other vessels of the navy, the armed steamer McClellan carrying a battalion of marines, under the command of Major Reynolds, and several transports, containing a brigade, commanded by Brig. Gen. Wright.

The immediate object of this expedition was the repossession of Fort Clinch and the capture of Fernandina. The insurgents abandoned their works of defence, and rapidly retreated.

Commander Drayton with a division of the force proceed to Fernandina, and occupied that place. The flag was hoisted on Fort Clinch, the first of the national forts seized by the insurgents on which the ensign of the Union had resumed its proper position since the commencement of the rebellion. This fort and the several batteries commanding the channel of approach to Fernandina bore every indication of preparation for a vigorous defence, and their abandonment without an effort to hold them was as much of a surprise as it was doubtless a disappointment to those who had come to capture them.

Commander C. R. P. Rodgers with a second division was sent to occupy St. Mary's. Lieutenant Commanding T. H. Stevens, in the Ottawa, pushed on from this place, and, encountering the rebel riflemen and cavalry on the banks, he soon dispersed them.

On the 7th of March a small force was sent, under Commander S. W. Godon, to hold Brunswick, and, about the same time, a squadron of light vessels was organized and sent to Jacksonville, both of which places were surrendered without opposition. On the 12th of March St. Augustine surrendered without exhibition of force, the citizens raising the flag of the Union with their own hands.

This expedition, organized chiefly from the forces which had but a short time previous participated in the capture of Forts Walker and Beauregard and Beaufort, though carried through without loss of life, was of very considerable importance. It secured to us Fort Clinch, Fernandina, St. Mary's, Cumberland Island and Sound, Amelia Sound, Jacksonville, St. Augustine, and Brunswick, in reality the coast and inland waters from St. Simon's southward

STONO RIVER AND MOSQUITO INLET.

From information derived chiefly from the contraband pilot, Robert Small, who had escaped from Charleston, Flag-officer Du Pont, after proper reconnoissance, directed Commander Marchand to cross the bar, with several gunboats, and occupy Stono. The river was occupied as far up as Legareville, and examinations extended further, to ascertain the position of the enemy's batteries. The seizure of Stono inlet and river secured an important base for future military operations, and was virtually a turning of the forces in Charleston harbor.

On the 22d of March, Acting Lieutenant Budd, commanding the steamer Penguin, and Acting Master Mather, commanding the steamer Henry Andrew, with boats' crews from those vessels, proceeded some fifteen or eighteen miles up one of the lagoons of Mosquito inlet. Returning, they landed, in one of the boats, near some earthworks, which had been abandoned or never armed, in the vicinity of a dense grove of live oak and underbrush. A heavy and continuous fire was suddenly opened upon them from this cover, killing both of those officers and six of the boats' crews, and wounding several others, two of whom were made prisoners. The service thus lost two meritorious officers, who had volunteered their services to aid in suppressing the rebellion.

EASTERN GULF SQUADRON.

In January last Flag-officer McKean despatched Commander Emmons, with the steamer Hatteras, to operate against the rebels at Cedar Keys. This place was quite a depot, and several vessels had recently been taken thither for safety and to load with produce.

Commander Emmons was entirely successful, having captured or destroyed all the public property in that locality, including military stores, a battery of two guns in position on Sea Horse Key, barracks, railroad depot and wharf, and several schooners, laden and all ready to be taken out as soon as a favorable opportunity should offer.

In the latter part of March Commander H. S. Stellwagen, of the Mercedita, arrived off Apalachicola with that vessel and the Sagamore, Lieut. Commanding A. J. Drake, and organized a boat expedition, the immediate object of which was the capture of a number of vessels understood to be at or above that city.

He was immediately informed by contrabands that the place had been evacuated by the soldiers, some 600 in number, and by the greater part of the citizens, on the appearance of the naval force. To test the truth of this, and to accomplish the objects in view, on the 2d of April six boats from the Mercedita and Sagamore were sent, under Lieutenants Abbott and Bigelow, to the city. No resistance was offered, and the few remaining citizens came forward to receive them. The expedition brought out several vessels, and others had to be destroyed, owing to the difficulty of getting them over the bar.

Acting Volunteer Lieutenant David Cate, commanding the United States bark Pursuit, having received information that the rebel steamer Florida, which had succeeded in getting into St. Andrew's, was lying some twenty miles above that town, determined to make an attempt to cut her out. A volunteer expedition was organized and left the vessel on the 4th of April, and on the night of the 6th reached and surprised the Florida. The crew were overcome with slight resistance, and the vessel—a valuable side-wheel steamer of 500 tons—with a cargo of over 200 bales of cotton, was brought safely out.

WESTERN GULF SQUADRON—CAPTURE OF NEW ORLEANS AND REDUCTION OF ITS DEFENCES.

In the autumn of 1861 the capture and occupation of the city of New Orleans and the reopening of the navigation of the Mississippi were resolved upon. It was an undertaking of the greatest difficulty and of the greatest importance. The city itself was the largest and wealthiest in the Southern portion of the Union, and from its position it was the most vitally interesting in the whole insurrectionary region. Its defences had been prepared and completed with the whole power, skill, and ingenuity of the insurgents. Forts Jackson and St. Philip, situated in commanding positions to bar the approach to the city from the Gulf, had been armed with one hundred and twenty-six guns of long range and heavy calibre. A fleet of some twenty armed steamers, some of them armored, and four powerful steam iron-clad rams—one of them of four thousand tons, and mounting sixteen heavy cannon—were prepared to co-operate with the fleet, in addition to chains, rafts, and fire-ships, for obstructing the advance of our attacking force, while an army of several thousand men, under the insurgent General Lovell, occupied and defended the city itself.

For the reduction of a place thus fortified and defended, the commercial and strategic importance of which can hardly be overestimated, thorough and ample preparations were required and were carefully organized. Besides the squadron that was employed to enforce the blockade on the western portions of the Gulf, a large additional force of armed steamers and a bomb flotilla were ordered to the expedition.

The selection of the officer who should command the western Gulf squadron was not made until preparations were far advanced for the important expedition that constituted the striking feature of that command. Captain David G. Farragut, who received the appointment of flag-officer of the western Gulf squadron, entered with alacrity, zeal, and all the power and efficiency that had been anticipated by the department upon the duty of completing the organization of the Mississippi expedition. He found himself at the head of a squadron composed of men who, like himself, were undaunted, resolute, and determined.

The flotilla of mortar vessels, twenty in number, was added to the command, under the immediate direction and management of Commander David D. Porter. Besides skilful pilots and the officers, some of whom were familiar with that coast and the river passes, the department availed itself of the topographical and strategic information furnished by the officers of the Coast Survey. Assistant F. H. Gerdes, in charge of the steamer Sachem, rendered the squadron very essential service.

Military co-operation being necessary, the War Department furnished an army of eighteen thousand men, under the command of Major General Butler, to assist in the expedition and to hold New Orleans after it should be taken. There was throughout harmony and mutual good feeling and co-operation between the naval and military forces.

Flag-officer Farragut's first orders bear date the 20th of January, 1862. He sailed from Hampton Roads on the 2d of February, and on the 21st assumed the duties of his command. Two months were spent in completing his preparations, receiving his reinforcements, and getting his vessels over the bars and to the heads of the passes.

On the 16th of April, he gave orders to commence the bombardment of Forts Jackson and St. Philip by the mortar flotilla. The bombardment commenced on the 18th, and was continued, with but slight interruption or cessation, during six days and nights, at the end of which time both the forts, powerful as they were, and desperate as was their resistance, had become so weakened and the garrison so demoralized as, in the judgment of the flag-officer, to render the passage of the fleet possible. Accordingly, on the morning of the 24th, the fleet was directed to move forward, and the vessels passed the forts under a terrific fire of more than one hundred guns that had not been dismantled by the bombardment, encountering not only the batteries, and strong current of the river, but steamers, fire-ships, iron-clads, rams, rafts, chains, and every obstruction that the ingenuity and ability of the insurgents could interpose to prevent them.

The attacking squadron was formed in two columns, one under the command of Flag-officer Farragut, and the other under the orders of Captain Theodorus Bailey. In this terrible conflict, and as the fleet moved up the river toward the city, it overcame and destroyed eighteen armed steamers and other vessels of the enemy, including three iron-clad rams, two of which, the Louisiana and the Manassas, were batteries of immense power. All the carefully prepared obstructions to the navigation of the river were broken through or avoided, and on the morning of the 29th of April Flag-officer Farragut was enabled to announce to the Department that the flag of the Union again waved over the city of New Orleans, and Forts Jackson and St. Philip. A great quantity of arms and munitions were surrendered with the forces that defended the forts, whilst a vast destruction of property within the city had been effected by the insurgents, in order to prevent it from falling into our hands. Nothing was wanting to complete the grandeur of this most triumphant and arduous achievement. The capitulation of the city to our arms, recklessly and persistently obstructed by the desperation of the city authorities, was at last completed through the judgment, patience, and resolute determination of our officers, without the shedding of innocent blood. The insurgent garrison, strong as it was in numbers, fled with precipitation, and the troops under General Butler having been securely landed, the custody of the city was delivered to him and the army.

Thus the great Southern depot of the trade of the immense central valley of the Union was once more opened to commercial intercourse, and the emporium of that wealthy region was restored to national authority; the mouth of the Mississippi was under our control, and an outlet for the great West to the ocean was secured, so soon as the squadron, which was ordered to proceed up the river, should form a junction with the flotilla on the waters of the Upper Mississippi, which was to fight its way down, aided by an adequate co-operating military force to retain and hold the important points along its shores.

This great blow struck just terror to the heart of the whole rebellion. It was regarded everywhere, both at home and abroad, as the grandest achievement of the war, and as one of the most remarkable triumphs in the whole history of naval operations. I do not attempt, in this place, to give the details of this expedition, nor to assign to the different officers by whom it was conducted their respective claims to the praise and gratitude of their country. The graphic narratives of the actors themselves, in their official reports, have been spread before the country by order of Congress. Suffice it now to say that no terms of commendation can overstate the merits of the officers who achieved this great success, and who have been themselves the first and most earnest to commend the valor, the devotion, and the unsurpassed skill of their subordinates, and of the brave men under their command.

OPERATIONS ON THE MISSISSIPPI.

Rear Admiral Farragut despatched detachments of his squadron up the river to clear its passage, and capture and take possession of the principal places.

Commander Palmer arrived off Baton Rouge with the Iroquois May 7th, and demanded its surrender, the conditions to be the same as at New Orleans. The authorities declined to yield the city voluntarily, and whilst pleading their defenceless condition, were not free from a tone of arrogance. The next day Commander Palmer proceeded abreast of the arsenal, landed a force, and took possession of the same, together with other public property, and hoisted the American flag.

May 12th, the Iroquois, with other gunboats, anchored off Natchez, the surrender of which was also demanded by Commander Palmer, upon the same conditions as at New Orleans and Baton Rouge, that is, the rights and property of peaceable citizens should be respected, all property of the rebel Government should be given up, and the flag of the United States should wave over the city unmolested and respected. Although Commander Palmer deferred taking possession of Natchez—the place having never been occupied as a military position nor the insurgent flag hoisted officially over it—yet the town was virtually surrendered, and the mayor issued his proclamation enjoining the citizens to preserve good order and commit no act to provoke the displeasure of the Government of the United States.

Commander S. P. Lee, commanding the advance of the squadron, arrived near Vicksburg May 18, and, under orders from Flag-officer Farragut and Major General Butler, demanded the surrender of the place and its defences to the lawful authority of the United States, under which private property and personal rights would be respected. The demand was peremptorily and defiantly declined by both the civil and military authorities present, and Commander Lee asked the removal of the women and children beyond the reach of harm, so that it might be at his option to fire or not fire, as he thought proper, upon the defences of the town, without causing the loss of innocent life.

Rear Admiral Farragut arrived a few days afterwards, accompanied by a column of troops, under General Williams. Subsequently an additional naval and military force, including the mortar flotilla, was brought up, and preparations were made for passing and attacking the batteries. These batteries were placed upon the heights of Vicksburg, scarcely within the reach of the guns of the squadron, and were supported by a large army in the rear.

On the 28th June the mortar vessels commenced the bombardment. The batteries were silenced by the combined fire of the squadron and flotilla at times; but there being an insufficient land force to co-operate, after the steamers passed, the insurgents returned to their guns.

Returning, Flag-officer Farragut reached New Orleans July 28th, and, leaving an adequate force at that place and Baton Rouge, sailed again, the 11th of August, for Ship Island and Pensacola. The latter place having been evacuated by the rebels, it has been made the depot of the Western Gulf squadron. The destruction at and about the navy yard, which the insurgents seized during the late Administration, has been very great. Some few of the buildings remain uninjured, and the advantages of the place for a depot were superior to those of Ship Island, which had for some time previous been used for that purpose.

While the Essex, Kineo, Katahden, and Sumpter were lying off Baton Rouge, a vigorous attack was made by the insurgents, August 5th, on the command of General Williams, occupying that place, and its capture attempted by a largely superior force led by General Breckinridge, late Vice President. The gunboats were immediately placed in position to give assistance, if required. The relative positions of the forces were such that the gunboats could not, with safety, be made available to our troops until late in the day, when they poured a fire into the rebels' left wing which caused them to withdraw in haste and fall back several miles.

A simultaneous attack, by land and water, appears to have been the design of the enemy. The rebel ram Arkansas, which was to have taken part in it, remained a short distance above Baton Rouge, and the next morning the Essex proceeded up the river and encountered her, and after a short engagement the Arkansas was abandoned and blew up.

CAPTURE OF GALVESTON AND OTHER POINTS IN TEXAS.

About the middle of September Acting Volunteer Lieutenant J. W. Kittredge, commanding the United States bark Arthur, was sent, with his own vessel and the steamer Sachem, by Rear Admiral Farragut, to take possession of Corpus Christi and the adjacent waters. He succeeded well, and made several captures, and compelled the rebels to burn many vessels. Subsequently, however, Acting Lieutenant Kittredge, while on shore, was, with his boat's crew, surprised and captured.

A little later, Acting Master Francis Crocker, commanding the steamer Kensington, with that vessel and the schooners Rachel Seaman and Henry Janes, captured the defences of Sabine city, and took possession thereof. Acting Master Crocker then proceeded on an expedition to Calcasieu lake and river, and succeeded in capturing and destroying several vessels of the enemy, engaged in violating the blockade.

On the 4th of October Commander W. B. Renshaw, of the United States steamer Westfield, with that vessel, the Harriet Lane, Owasco, and Clifton, captured the defences of the harbor and city of Galveston, there having been only a feeble resistance.

Our vessels and transports passing up and down the Mississippi have been annoyed by frequent attacks from guerillas and concealed batteries. In many instances these attacks have been made from villages, the parties engaged in them presuming that the fire would not be returned to endanger innocent life. To check the practice it has been necessary, after giving due notice, to fire upon and destroy, to some extent, the towns from which the attacks were made. This was a punishment by no means consistent with the feelings of those inflicting it, but one that necessity demanded. Natchez, Grand Gulf, and Donaldsonville have been subjected to it. It is not inappropriate to mention in this connection that the service has recently suffered the loss of a most promising and gallant young officer, Lieut. Charles H. Swasey, of the gunboat Sciota, who was killed on the 4th of October last, by a shot from a concealed battery near Donaldsonville, Louisiana. Lieut. Swasey had served with distinction as executive officer of the Varuna, in the battles of the Mississippi, through which he escaped without injury, but to lose his life a few months later by the fire of a hidden enemy.

WESTERN FLOTILLA.

When Flag-officer Foote arrived at St. Louis, and, on the 6th of September, 1861, assumed command of the Western flotilla, the forces consisted of three wooden vessels in commission, which had been purchased, equipped, and armed as gunboats, by Commander John Rodgers; and there were nine iron-clad gunboats and thirty-eight mortar boats in course of construction.

The service was anomalous in its character, and there was with many great incredulity as to the utility and practicability of gunboats in carrying on hostilities on the rivers, where it was believed batteries on the banks could prevent their passage. There were also embarrassments for want of funds and of material for naval purposes, there being no navy yard or naval depot on the Western waters. All these difficulties were met and surmounted by the energetic and efficient officer to whom the duty was entrusted, whose perseverance and courage in overcoming the obstacles that impeded and retarded his operations in creating a river navy were scarcely surpassed by the heroic qualities displayed in subsequent well-fought actions on the decks of the gunboats he had, under so many discouragements, prepared.

CAPTURE OF FORTS HENRY, DONELSON, &c.

It having been ascertained in the latter part of the winter that the stage of water in the Tennessee and Cumberland rivers was favorable for active operations, Flag-officer Foote, as soon as four of the iron-clad boats were ready, urged prompt action, and proposed to General Grant, commanding at Cairo, a joint attack on Fort Henry. That officer, though preferring a movement on the Cumberland and an attack on Fort Donelson, yielded to the proposition of the naval commander on procuring the assent of Gen. Halleck.

Fort Henry was captured on the 6th of February. The attacking force consisted of the iron-clad gunboats Benton, (flag-ship,) Commander R. N. Stemble; Essex, Commander W. D. Porter; Carondelet, Commander Henry Walke, and St. Louis, Lieutenant Commanding Leonard Paulding, forming the first division; and the wooden gunboats Conestoga, Lieutenant Commanding S. L. Phelps; Tyler, Lieutenant Commanding William Gwinn, and the Lexington, Lieutenant Commanding J. W. Shirk, forming the second division, in charge of Lieutenant Commanding Phelps, astern of the first.

The firing was commenced at 1,700 yards distant by the flag-ship, the others following in succession, and continued while the fleet steamed slowly to within six hundred yards of the fort. After a closely-contested action of an hour and a quarter the colors of the fort lowered; the flag of the Union was substituted for the emblem of Secession; General Tilghman, his staff, and sixty or seventy of his men were received as prisoners, together with a hospital ship containing sixty invalids, the fort and its effects, twenty guns, mostly of heavy calibre, and barracks and tents capable of accommodating quite an army, which were turned over to General Grant, on his arrival an hour afterwards, with the forces under his command. The joint attack was to have been made by land and water on the enemy's work, but was frustrated by the bad condition of the roads, which delayed the army and deprived it of the pleasure as well as the glory of participating in the capture of Fort Henry.

Lieutenant Commanding Phelps, on an order previously given, proceeded with the three gunboats up the Tennessee river. He ascended as far as Florence, Alabama, the foot of the muscle shoals. This expedition was fruitful in important results. Several prizes were taken—one of them, the fine steamer Eastport, in the act of being converted into a gunboat. Large quantities of stores were captured, and the insurgents were lavish in destroying others to prevent them falling into our hands; they also destroyed many of their vessels. This sudden penetration to the very heart of the insurgents' country was doubtless as unexpected as it was alarming and disastrous to them.

From Fort Henry, the field of his late success, Flag-officer Foote proceeded with his flotilla to the Cumberland river to make an attack upon Fort Donelson. On the 14th of February, with four iron-clads and two wooden gunboats, he engaged that fort and its adjacent water batteries. With his reduced force he had to contend against more vigorous works than he had met on the 6th at Fort Henry. After a severe fight of an hour and a half, during which he was seriously wounded, and when he was on the point of enfilading the fort, and the rebel fire had materially slackened, two of the gunboats were disabled in their steering apparatus, and the remaining boats retired for the night. The rebels were so greatly demoralized that they could not be brought into effective action on the following day, which resulted in the defeat of the insurgents, and the surrender of Fort Donelson to the army the next morning.

With two gunboats Flag-officer Foote proceeded up the Cumberland on the 19th of February, and seized Clarksville and the three forts which defended the city and river, and issued a proclamation to the inhabitants.

In view of the panic which pervaded not only Clarksville, but the rebel army, which were fleeing to Nashville, Flag-officer Foote pressed upon Gen. Grant an immediate pursuit, with four thousand troops, to that place. Orders were received, however, from the general-in-chief of the Western department, prohibiting the gunboats from proceeding higher up than Clarksville.

In consequence of these orders the flag-officer returned to Cairo, and only two gunboats were with the army when possession was taken of Nashville on the 27th of February.

The Tennessee and Cumberland rivers are the thoroughfares and outlets of a rich agricultural region, and the elaborate fortifications which had been erected and garrisoned with a view of controlling the navigation indicate the importance with which the insurgents regarded them. The rapid clearance of both these rivers, and the formidable character of the gunboats, which became at once a power and a terror on the Western waters, disconcerted and dismayed the rebels. Forts Henry and Donelson, with Nashville and Clarksville, and other places, having fallen, the insurgents became alarmed in their stronghold at Columbus, on the Mississippi, lest the possession of those places should cut off their communications with the rebel army.

OPERATIONS ON THE MISSISSIPPI.

On the 4th of March a force of gunboats, with transports conveying troops, moved upon Columbus, but an armed reconnoissance of the 2d had so alarmed the garrison as to cause the place to be evacuated without delay; and when our forces landed, the forts, though of great strength, were unoccupied.

Keeping in view the purpose of opening the navigation of the river, Flag-officer Foote left Cairo on the 14th of March, with seven iron-clads and ten mortar boats, and having been joined by Colonel Buford, with fifteen hundred troops, at Columbus, moved down and took possession of Hickman. Arriving the next day in the vicinity of Island No. 10, the mortar vessels, in charge of Captain Maynadier, of the army, were placed in position and shelled out several encampments.

A siege of twenty-three days took place, during which a canal was cut to admit the light transports to reach the army of Gen. Pope, at New Madrid, below No. 10, and enable him to cross to the Tennessee shore. The guns at No. 1 battery were spiked, and the Pelican Dock, or New Orleans floating battery, was shelled out of the channel that two of the gunboats might run the blockade and get past, as they did at night in a heavy thunder-storm, under a tremendous fire from forty-seven guns, aided by infantry. Several batteries, erected to prevent the army of General Pope from crossing, were demolished by these two gunboats, and the landing was effected. This result being accomplished after persistent and severe struggles and conflicts, the rebel commander became convinced that he could not avoid defeat from a combined assault, and therefore, on the 7th of April, surrendered Island No. 10 to the commander of the naval forces. Thus it would appear that in the capture of Fort Henry and Island No. 10 not a gun was fired by the army except from the command of Colonel Buford, which, at the latter place, co-operated with the navy. There were eleven batteries on the island and adjacent shores, mounting upwards of seventy-five guns, from 32 to 160-pounders.

One rebel gunboat, four transports, and immense munitions of war and many prisoners fell into our hands by this important capture.

In pursuance of the first great duty enjoined upon him, that of reopening the navigation of the Mississippi, Flag-officer Foote proceeded to the vicinity of Fort Pillow. Arriving on the 12th of April, he was on the next day joined by General Pope and his army.

Arrangements were promptly made by the two commanders for an immediate combined attack upon the fortifications, with every confidence of success; but, just upon the point of execution, an order from General Halleck for the army to reinforce him at Corinth frustrated the well-matured plans that had been made.

Flag-officer Foote, suffering from the long-neglected wound he received at Fort Donelson was, on the 9th of May, relieved by the Department, on the advice of the surgeons, of the command of the flotilla, which was transferred to Captain Charles H. Davis.

CAPTURE OF FORT PILLOW AND MEMPHIS.

The latter was scarcely introduced to his command before he had vigorous work to perform. On the 11th of May an attack, for which the rebel fleet lying below Fort Pillow had been long preparing, was made upon the flotilla. This fleet of eight iron-clad steamers, four of them fitted as rams, steamed up fully prepared for an engagement, and the flotilla was quickly in motion to receive them. An action of an hour at the closest quarters followed, at the end of which the enemy retreated under the guns of Fort Pillow, three of their gunboats having been disabled.

The flotilla occupied a nearer position to Fort Pillow after this engagement, and the ram fleet under Colonel Ellet joined Flag-officer Davis, and on the 5th of June Fort Pillow was abandoned.

The flotilla moved down the river, and on the evening of the 7th anchored a mile and a half above Memphis. The next morning the rebel fleet of eight gunboats and rams was discovered opposite the city. The flotilla came up with and engaged them. The ram fleet pressed into action under full steam, the gunboats in the meantime keeping up a continuous and well-directed fire. The rebel gunboats General Beauregard and Little Rebel blew up, and the Queen of the West, commanded by Colonel Ellet in person, encountered the General Lovell and sunk her. A running fight followed, carrying the vessels several miles below Memphis, and resulting in the capture or destruction of the entire rebel fleet, except the Van Dorn, which succeeded in escaping. Our loss was trifling. The rebels suffered severely from the exploding and sinking of their vessels.

At the close of the engagement Flag Officer Davis returned to Memphis and demanded the surrender of the city, which was complied with, Col. Fitch arriving at 12 o'clock from Fort Pillow and taking military possession.

On the 29th of June Flag-officer Davis left Memphis with a part of his flotilla and six mortar boats, and the 2d of July following joined Rear Admiral Farragut above Vicksburg, the latter officer, with a portion of his squadron, having arrived there a few days previous. Demonstrations were continued by the combined squadrons, at intervals, on the defences of Vicksburg, for some days, the mortar vessels of each squadron bombarding from both above and below.

An expedition was sent, on the 15th of July, to procure information respecting the obstructions and defences of the Yazoo, but the river was scarcely entered when the rebel iron-clad ram Arkansas was encountered, coming down. After a severe fight with the Carondelet and Tyler, in which they were partially disabled, the Arkansas entered the Mississippi, passed the fleets of Farragut and Davis, and took refuge under the batteries at Vicksburg. An attempt to destroy her, under the guns of the battery, did not succeed.

There not being a sufficient military force to co-operate in the reduction of Vicksburg, the scheme was for the time abandoned, and, late in July, Flag-officer Davis withdrew his command to the mouth of the Yazoo. In August a joint expedition was planned between Flag-officer Davis and General Curtis for operations up the Yazoo, which was entirely successful, resulting in the capture of a battery of heavy guns, field pieces, munitions of war, &c.

June 13th a detachment from the squadron, under the command of Commander A. H. Kelty, with the 46th Indiana Regiment, under Colonel Fitch, left Memphis for White river, their object being to form a junction with General Curtis.

On the morning of the 17th they arrived at the rebel fortifications near St. Charles, Arkansas, upon which an attack was commenced by the gunboats, whilst Colonel Fitch landed for the purpose of assaulting the rear. The enemy's first battery was carried by the gunboats, and Colonel Fitch gallantly charged the second battery, and carried it without the loss of a single man.

The Mound City, in the lead, was damaged by a shot which entered and exploded in her steam drum, killing and wounding a large portion of her officers and men.

The gunboats Tyler, Lieut. Com'g Gwinn, and Lexington, Lieut. Com'g James W. Shirk, of the Western flotilla, have been most actively and usefully employed on the Tennessee river. They have generally preceded the march of our army southward on the line of that river, convoying the transports, clearing the banks of rebel batteries, and frustrating attempts of the insurgents to fortify. Frequently under fire, and affording protection to loyal citizens and their property within their reach, these gunboats have made a lasting record of their services by their participation in the battle of Shiloh, or Pittsburg Landing. Finding our army forced back towards the river by overwhelming numbers, those two vessels selected convenient positions for shelling the rebels, and from 3 to 6 P. M. were throwing shot and shell into their ranks with effect. The Tyler alone, on this occasion, discharged 188 shells.

VESSELS ON FOREIGN SERVICE.

Commodore Montgomery was relieved by Commodore Charles H. Bell, in the command of the squadron on the Pacific station, on the 2d of January last. The vessels composing the squadron are the steam sloops Lancaster (flag-ship), Saranac, Wyoming, and Narraganset, and sloops-of-war Cyane and St. Mary's. In June the Wyoming was detached and ordered to the East Indies. The several vessels have frequently visited the principal Mexican and South American ports in the Pacific, and our commerce and citizens have received from them all required protection.

The steam sloop Wyoming is at present the only United States vessel-of-war on the East India station, though the sloop Jamestown is on her way thither. No information of the disturbance of our commerce by piratical vessels or privateers in the East Indian waters has been received.

The sloop-of-war Constellation, Commodore H. K. Thatcher, has been cruising in the Mediterranean since last spring. She has visited some of the commercial ports of the Levant, and her presence has, doubtless, been conducive of good results. No disturbance of our commerce has occurred in that quarter.

The small steamer Pulaski has been the only vessel on the Brazil station during the year, and I am happy to state that nothing has arisen requiring the presence of an additional force, either to secure the rights of our citizens or the safety and protection of our commerce, both of which have been respected and protected.

The Saratoga has been the only vessel on the African station.

The Tuscarora, for some time, watched the rebel steamer Nashville at Southampton, and then blockaded the Sumpter at Gibraltar. She was relieved in the latter duty by the Kearsarge, and endeavored to prevent the escape of the 290. She is now in pursuit of this pirate.

The St. Louis has been cruising from the Azores to the coast of Portugal and Spain, and is also in search of the 290, or Alabama.

The Chippewa has been sent to relieve the Kearsarge in blockading the Sumpter, and the latter vessel, at last advices, was also in pursuit of the 290.

The Vanderbilt, the San Jacinto, the Mohican, the Sabine, the Dacotah, the Onward, and the Ino, are severally cruising to protect our commerce, and have specially in view the capture of the 290, or any piratical cruiser.

PRIVATEERS.

The rebel armed steamer Sumpter, which, after committing many depredations, was, at the date of my last report, fleeing to escape our cruisers, crossed the Atlantic. She was tracked to Gibraltar, where she has since remained, one of our cruisers vigilantly guarding her from Algesiras. With this exception, no other armed vessel has plundered our commerce or inflicted injury on our countrymen until within a recent period, when a steamer known as 290, or Alabama, built and fitted out in England—a vessel that had never been in any port or visited any waters but those of Great Britain—went forth from the shores of that country, ravaging, sinking, burning, and destroying the property of our merchants, who, knowing our peaceful relations with England, and uninformed that such a cruiser had been permitted to leave Great Britain, were unprepared for such assault and devastation.

How far and to what results this abuse may be carried with impunity to the Government which tolerates it is matter of grave consideration. The piratical privateer 290, or Alabama, has no register nor record, no regular ship's papers nor evidence of transfer, and no vessel captured by her has ever been sent into any port for adjudication and condemnation. All forms of law which civilization has introduced to protect and guard private rights, and all those regulations of public justice which distinguish and discriminate the legalized naval vessel from the pirate, are disregarded and violated by this lawless rover, which, though built in and sailing from England, has no acknowledged flag or recognized nationality, nor any accessible port to which to send any ship she may seize, nor any legal tribunal to adjudge her captures. Under the English flag, in which they confided, and by the torch of the incendiary, appealing to their humanity, our merchantmen have been lured to destruction.

She was built and fitted out in British ports in flagrant violation of British law and of the royal proclamation of neutrality, and I have reason to believe that her crew is composed almost exclusively of British subjects, or persons who, pursuing a lawful voyage, would be entitled to ship and receive protection as British seamen.

Before this piratical cruiser left Great Britain the authorities of that country were informed by the recognized official agents of this Government of her character and purposes. The British Government, thus invoked, came too late to prevent her sailing. To what extent, under these circumstances, the Government of Great Britain is bound, in honor and justice, to make indemnification for the destruction of private property which this lawless vessel may perpetrate, is a question that may present itself for disposal. It is alluded to now and here, not only from a sense of duty towards our commercial interests and rights, but also by reason of the fact that recent intelligence indicates that still other vessels, of a similar character, are being fitted out in British ports to depredate upon our commerce.

Our own cruisers not being permitted to remain in British ports to guard against these outrages, nor to coal while cruising, nor to repair damages in their harbors when injuries are sustained, the arrest of them is difficult and attended with great uncertainty. This Department has despatched vessels to effect the capture of the Alabama, and there is now quite a fleet on the ocean engaged in pursuing her.

THE NAVAL FORCE.

When I entered upon the discharge of my public duties, as the head of this Department, in March, 1861, there were but 42 vessels in commission, and, as stated in my last annual report, but 76 vessels then attached to the navy have been made available. Most of those in commission were abroad, and of the 7,600 seamen in the pay of the Government there were on the 10th of March, 1861, but 207 men in all the ports and receiving ships on the Atlantic coast to man our ships, and protect the navy yards and depots, or to aid in suppressing the rising insurrection.

Neither the expiring Administration, nor Congress, which had been in session until the 4th of March, had taken measures to increase or strengthen our naval power, notwithstanding the lowering aspect of our public affairs; so that when a few weeks after the inauguration I desired troops for the protection of the public property at Norfolk and Annapolis, or sailors to man and remove the vessels, neither soldiers nor sailors could be procured. There were no men to man our ships, nor were the few ships at our yards in a condition to be put into immediate service.

The proclamation of April, placing our entire coast from the mouth of the Chesapeake to the Rio Grande under blockade, found us with a naval force, even were every vessel on our coast, inadequate to the work required.

I have in my former reports at the special session in July, 1861, and in December last, made full exposition of the steps which were promptly taken to recall our foreign squadrons, and the progress which had been made in augmenting our navy by repairing and fitting, as expeditiously as possible, every available vessel owned by the Government, by purchasing such others as could be made speedily useful in guarding our shallow and peculiar coast, and by rapidly constructing as many steamers as could be built at our navy yards, and employing, to the extent that we could procure materials, engines, and machinery, the resources of the country in adding others from private ship-yards. The result is, that we have at this time afloat or progressing to rapid completion a naval force consisting of 427 vessels, there having been added to those of the old navy enumerated in my report of July, 1861, exclusive of those that were lost, 353 vessels, armed in the aggregate with 1,577 guns, and of the capacity of 240,028 tons.

The annals of the world do not show so great an increase in so brief a period to the naval power of any country. It affords me satisfaction to state that the acquisitions made to the navy from the commercial marine have proved to be of an excellent character, and though these vessels were not built for war purposes, and consequently have not the strength of war vessels, they have performed all the service that was expected of them. No equal amount of tonnage was ever procured for any service at prices correspondingly low, and with so little disturbance to the commercial community; and no vessels were ever constructed on better terms for the Government, or have better subserved the purposes for which they were designed, than the twenty-three gunboats for which the Department contracted on its own responsibility at the commencement of hostilities, without waiting for the action of Congress. In no respect, during this war, has the Government been better or more economically and faithfully served than in the additions that have been made by construction and purchase to the navy.

In order that the actual condition of the navy, past and present, from March 4, 1861, to November, 1862, and the expansion which has been made, may be seen, I present a tabular statement of the number of vessels, and the aggregate of their armament and tonnage, with a detailed account of the losses that have occurred since my last annual report;

NAVAL FORCE AT THE DATE OF THE LAST ANNUAL REPORT.

Description.	No.	Guns.	Tons.
Old navy	76	1,783	105,271
Purchased vessels	136	518	71,297
New vessels completed and under construction	52	256	41,448
Total	264	2,557	218,016

PRESENT NAVAL FORCE.

Description.	No.	Guns.	Tons.
Old navy	74	1,691	100,008
Purchased vessels	180	688	86,910
Transferred from War and Treasury Departments	50	230	32,828
New vessels, completed and under construction	123	659	120,290
Total	427	3,268	340,036
Increase since last reported	163	711	122,020

LOSSES BY SHIPWRECK AND IN BATTLE.

Steamer R. B. Forbes, 3 guns, 329 tons, wrecked February, 1862, coast of North Carolina.

Frigate Congress, 50 guns, 1,867 tons, in action with Merrimac, March 8, 1862.

Sloop-of-war Cumberland, 24 guns, 1,726 tons, in action with Merrimac, March 8, 1862.

Steamer Whitehall, 4 guns, 323 tons, at Old Point, March 9, 1862, by fire.

Mortar schooner M. J. Carlton, 3 guns, 178 tons, attack on Forts Jackson and St. Philip, April 19, '62.

Steamer Varuna, 9 guns, 1,300 tons, in action with rebel gunboats below New Orleans, April 24, 1862.

Mortar schooner Sidney C. Jones, 3 guns, 245 tons, grounded below Vicksburg, and burned to prevent falling into the hands of the enemy.

Steamer Island Belle, 2 guns, 123 tons, grounded in Appomattox river June, 1862, and burned to prevent falling into the hands of the enemy.

Screw sloop Adirondack, 9 guns, 1,240 tons, wrecked near Abaco August 23, 1862.

Steamer Henry Andrew, 3 guns, 177 tons, wrecked in a gale near Cape Henry August 24, 1862.

Steam ram Sumpter, 2 guns, 400 tons, grounded in Mississippi river and abandoned. Total, 112 guns and 7,908 tons.

ADDED SINCE FOURTH OF MARCH, 1861,
(Exclusive of those lost.)

	No. of Vessels.	Guns.	Tons.
By purchase	180	688	86,910
By transfer	50	230	32,828
By construction	123	659	120,290
	353	1,577	240,028

ADDED BY CONSTRUCTION.

Description.	No. of Vessels.	Guns.	Tons.
2d-class screw sl's-of-war	13	116	16,396
Screw gunboats	27	108	14,033
Side-wheel gunboats	39	296	36,337
Armored wooden vessels	12	65	20,893
Armored iron vessels	32	74	32,631
	123	659	120,290

IRON-CLAD NAVY.

Description.	No. of vessels.	Guns.	Tons.
Seaboard.			
Armored wooden vessels	8	56	19,005
Armored iron vessels	20	42	22,611
Western rivers.			
Armored wooden vessels	4	9	1,888
Armored wooden vessels, transf'd from War Dep't.	10	122	6,284
Armored iron vessels	12	32	10,020
	54	261	59,808

NAVY ON WESTERN WATERS.

Description.	No. of vessels.	Guns.	Tons.
Armored vessels	26	261	59,808
Wooden gunboats	18	79	6,389
Transports and ordnance steamers	10	2	9,000
Rams	5	24	11,200
Armed tugs	13	13	650
	72	379	87,038

When the vessels now under construction are completed, the Navy will consist of—

SAILING VESSELS.

Description.	No.	Guns.	Tons.
Ships-of-the-line	6	504	16,094
Frigates	6	300	10,237
Sloops-of-war	16	289	14,305
Brigs	4	20	999
Ships, including store and receiving vessels	23	139	18,087
Schooners	29	69	5,821
Barks	18	92	8,432
Yachts	2	2	200
Total	104	1,415	74,175

STEAM VESSELS.

Description.	No.	Guns.	Tons.
Screw frigates	5	228	18,272
Screw sloops, 1st class	6	133	11,955
Screw sloops, 2d class	21	167	23,992
Screw gunboats (new)	27	108	14,033
Iron-clad vessels	54	261	59,808
Side-wheel frigates	4	49	8,003
Side-wheel gunboats, (new)	39	296	36,367
Side-wheel gunboats, (old navy)	5	11	2,190
Screw steamers, (purchased)	53	215	23,490
Side-wheel steamers, (purchased)	63	250	38,617
Screw-steamers, (old navy)	6	27	2,590
Gunboats, transports, &c., transferred from other departments	40	108	26,544
Total	323	1,853	265,861

RECAPITULATION.

Description.	No.	Guns.	Tons.
Sailing vessels	104	1,415	74,175
Steam vessels	323	1,853	265,861
Total	427	3,268	340,036

IRON-CLAD VESSELS.

The attention of this Department was turned to the subject of iron-clad vessels immediately after the commencement of hostilities, and the adoption of measures for the enlargement of the navy. It was a subject full of difficulty and doubt. Experiments upon a large scale of expense, both in England and France, if not resulting in absolute failure, had achieved but a limited and questionable success. Yet it was evident that a new and material element in maritime warfare was developing itself, and demanded immediate attention. In this view I recommended to Congress, at its extra session, on the 4th of July, 1861, the whole subject, and asked authority to organize a commission for investigation. Thirty days after this action on my part, Congress conferred the authority requested, and appropriated fifteen hundred thousand dollars for the construction of one or more iron-clad vessels upon such models as should receive the approval of the Department.

On the day after the law had been approved the commission was constituted, and the Department advertised for proposals. Of the various plans and propositions submitted, three vessels of different models were recommended by the board, which received the approval of the Department. Contracts were forthwith made for constructing the Monitor, the Galena, and the Ironsides. All of these vessels are now in the service. It was the intention and constant effort of the Department and the contractors that the Monitor should be completed in the month of January, but there was delay in consequence of the difficulties incident to an undertaking of such novelty and magnitude, and there were also some slight defects, which were, however, promptly remedied, and she left New York early in March, reaching Hampton Roads on the night of the 8th.

Her arrival, though not as soon as anticipated, was most opportune and important. For some time the Department had heard, with great solicitude, of the progress which the insurgents had made in armoring and equipping the large war steamer Merrimac, which had fallen into their hands when Norfolk was abandoned. On the afternoon of the 8th of March this formidable vessel, heavily armored and armed, and fully prepared to operate both as a ram and a war steamer, came down the Elizabeth river, accompanied by several smaller steamers, two of them partially armored, to attack the vessels of the blockading squadron that were in and about Hampton Roads. When the Merrimac and her attendants made their appearance, the Congress and the Cumberland, two sailing vessels, were anchored off Newport News, and the remaining vessels were in the vicinity of Fortress Monroe, some six miles distant. The Minnesota, the Roanoke, and the St. Lawrence got immediately under way, and proceeded towards the scene of action.

The Congress, being nearest to the Merrimac, was the first to receive her fire, which was promptly returned by a full broadside, the shots falling apparently harmlessly off from the armored side of the assailant. Passing by the Congress, the Merrimac dashed upon the Cumberland, and was received by her with a heavy, well-directed, and vigorous fire, which, like that of the Congress, produced, unfortunately, but little effect. A contest so unequal could not be of long continuance, and it was closed when the Merrimac, availing herself of her power as a steam ram, ran furiously against the Cumberland, laying open her wooden hull, and causing her almost immediately to sink. As her guns approached the water's edge, her young commander, Lieutenant Morris, and the gallant crew, stood firm at their posts, delivered a parting fire, and the good ship went down heroically, with her colors flying.

Having thus destroyed the Cumberland, the Merrimac turned again upon the Congress, which had, in the meantime, been engaged with the smaller rebel steamers, and, after a heavy loss, in order to guard against such a fate as that which had befallen the Cumberland, had been run aground. The Merrimac now selected a raking position astern of the Congress, while one of the smaller steamers poured in a constant fire on her starboard quarter. Two other steamers of the enemy also approached from James river, firing upon the unfortunate frigate with precision and severe effect. The guns of the Congress were almost entirely disabled, and her gallant commanding officer, Lieutenant Joseph B. Smith, had fallen at his post. Her decks were strewn with the dead and dying; the ship was on fire in several places, and not a gun could be brought to bear upon the assailants. In this state of things, and with no effectual relief at hand, the senior surviving officer, Lieutenant Pendergrast, felt it his duty to save further useless destruction of life by hauling down his colors. This was done about four o'clock P. M. The Congress continued to burn till about eight in the evening, and then blew up.

From the Congress the Merrimac turned her attention to the remaining vessels of the squadron. The Roanoke had grounded on her way to the scene of the conflict; and although she succeeded in getting off, her condition was such—her propeller being useless—that she took no part in the action. The St. Lawrence also grounded near the Minnesota, and had a short engagement with the Merrimac, but suffered no serious injury, and, on getting afloat, was ordered back to Fortress Monroe.

The Minnesota, which had also got aground in the shallow waters of the channel, became the special object of attack, and the Merrimac, with the Yorktown and Jamestown, bore down upon her. The Merrimac drew too much water to approach very near; her fire was not therefore particularly effective. The other steamers selected their position, fired with much accuracy, and caused considerable damage to the Minnesota. She soon, however, succeeded in getting a gun to bear on the two smaller steamers, and drove them away—one, apparently, in a crippled condition. About 7 P. M. the Merrimac also hauled off, and the three stood towards Norfolk.

All efforts to get the Minnesota afloat during the night, and into a safe position, were totally unavailing. The morning was looked for with deep anxiety, as it would, in all probability, bring a renewed attack from the formidable assailant. At this critical and anxious moment the Monitor, one of the newly finished armored vessels, came into Hampton Roads, from New York, under the command of Lieut. John L. Worden, and a little after midnight anchored alongside the Minnesota. At six o'clock the next morning the Merrimac, as anticipated, again made her appearance and opened her fire upon the Minnesota. Promptly obeying the signal to attack, the Monitor ran down past the Minnesota and laid herself close alongside the Merrimac, between that formidable vessel and the Minnesota. The fierce conflict between these two iron-clads lasted for several hours. It was, in appearance, an unequal conflict, for the Merrimac was a large and noble structure, and the Monitor was, in comparison, almost diminutive. But the Monitor was strong in her armor, in the ingenious novelty of her construction, in the large calibre of her two guns, and the valor and skill with which she was handled. After several hours' fighting the Merrimac found herself overmatched, and, leaving the Monitor, sought to renew the attack on the Minnesota; but the Monitor again placed herself between the two vessels, and reopened her fire upon her adversary. At noon the Merrimac, seriously damaged, abandoned the contest, and, with her companions, retreated towards Norfolk.

Thus terminated the most remarkable naval combat of modern times, and perhaps of any age. The fiercest and most formidable naval assault upon the power of the Union which has ever been made by the insurgents was heroically repelled, and a new era was opened in the history of maritime warfare.

Before the occurrence of these events, entertaining a conviction that at least one of the models of iron-clad vessels—that of the Monitor, an original invention of John Ericsson, of New York—would prove a successful experiment, and that it was particularly adapted to our harbor and coast defence, and service on the shallow waters of our seaboard, I estimated, in my annual report, last December, for the immediate construction of twenty iron-clad steamers. The House of Representatives promptly responded to this recommendation, and passed a bill "authorizing and empowering the Secretary of the Navy to cause to be constructed, by contract or otherwise, as he shall deem best for the public interest, not exceeding twenty-one iron-clad steam gunboats." The Senate delayed action on this bill until February, when, foreseeing that the country would suffer from longer inaction, I addressed the chairman of the Naval Committee of the Senate on the subject, and the result was the immediate passage of the bill which had originated in the House in December.

At the earliest practicable moment after the enactment of this law the Department commenced entering into contracts for the construction of armored vessels, most of them on the plan of the Monitor.

The Galena, a less formidable vessel, was for some time under fire from plunging shot at Drury's Bluff, on James river. As yet the Ironsides, recently completed, has not been tested in action, but it is believed she will prove a formidable fighting vessel. That we might be prepared for extraordinary emergencies, it was deemed advisable to put armature on one of our steam frigates, and the Roanoke was selected for that purpose.

Whatever success may attend the large and costly armored ships of the Warrior class, which are being constructed by some of the maritime Powers of Europe cruising in deep waters, they can scarcely cause alarm here, for we have within the United States few harbors that are accessible to them, and for those few the Government can always be prepared when a foreign war is imminent. It has been deemed advisable, however, that we should have a few large-sized armed cruisers, of great speed, for ocean service, as well as of the class of smaller vessels for coastwise and defensive operations.

In the construction of iron-clads of the Monitor class, the nautical qualities of the vessels have not been the governing object, for with light draft and heavy armament, high speed is not attainable. But they are adapted to the shallow waters of our coast and harbors, few of which are accessible to vessels of great magnitude. While the larger armored vessels, with their heavy armament, cannot nearly approach our shores, those of the Monitor class can penetrate even the inner waters, rivers, harbors, and bayous of our extended double coast.

YARD AND DEPOT FOR AN IRON-CLAD NAVY.

In March last, and again in June, I invited the attention of the Naval Committees of Congress to the importance of taking prompt preliminary measures for establishing a navy yard, including foundries, shops, and docks, adapted to the growing wants of the service and the country. It was not that we needed an additional navy yard, but that we required one of a different character, in many respects, from any that we possess.

In view of the importance of possessing, somewhere in this country, a navy and dock yard for the purposes of an iron navy, the suggestions of the Department received the favorable consideration of Congress. The city of Philadelphia, the commercial centre of the iron and coal regions, became interested in the question, and was induced to make a free offer of League Island, a body of land of about six hundred acres, near the confluence of the Delaware and Schuylkill rivers, to the United States, for naval purposes. In consequence of this liberal offer, Congress authorized the Secretary of the Navy to receive and accept League Island: provided, however, that it should not be accepted until the title shall be perfect to low-water mark, nor if, upon a more thorough examination and survey of the premises by a competent board of officers, to be appointed by the Secretary of the Navy, he shall discover that the public interests will not be promoted by acquiring the title as aforesaid; that the board to be appointed shall, before proceeding to any decision of the questions referred to them, make a survey and examination of the harbor of New London, in Connecticut, and its surroundings, with reference to its fitness for a naval depot and navy yard; and that they also make the same investigation in regard to the waters of Narragansett bay.

Pursuant to the requirements of the act of Congress above referred to, I appointed, on the 12th of August, a board of officers consisting of Rear Admiral Stringham, Commodores Van Brunt and Gardner, and Captain Marston, of the navy, Professor Bache, and Engineer Sanger, to make the required examination and report. The board was assiduously engaged for over two months upon the duty assigned it, and after completing the survey and examination, revised their labor; and, upon a full discussion of the subject, the members unanimously rejected any proposition for the contemplated navy yard on the waters of Narragansett bay. In regard to the two other locations, League Island and New London, and which is best adapted to the purposes of such a navy yard and depot as is contemplated by the law, the board was divided in opinion, and presented majority and minority reports. The majority, comprising four members, award to New London the preference over League Island for a navy yard. The minority as fully and emphatically give their preference to League Island as possessing important requisites which the other does not, and as being better adapted to the special wants of the Government and the objects of the law authorizing the appointment of the commission.

Without attempting, in this place, to analyze these voluminous reports, or to reproduce the arguments adduced by each, I have considered it my duty to bring the subject to the attention of Congress, and to reiterate my opinion in favor of a new yard and depot, better adapted to the construction of iron vessels and iron-clad vessels than any we now have, and where this description of vessels may be repaired, or, in time of peace, laid up in ordinary. In selecting the site for such a navy yard there are two essential and controlling considerations that must govern. One is the very great advantage (if not absolute necessity) of fresh water over salt water for the preservation of iron vessels. The other is, security from an attack by a foreign enemy. These two primary qualities are to be had at League Island. Iron and coal are also in close proximity to that location.

New London has a commodious harbor, and, were it less exposed, some good qualities for a navy yard, provided it be the intention of Congress to establish another similar to those we now have for the construction of wooden vessels. For an iron navy, and for iron purposes, I am not aware that it has any advantages over Brooklyn, or Charlestown, or Portsmouth; and if not, Congress must determine whether another such yard shall be established. The Department has not suggested or contemplated the acquisition of a yard and depot of that description, but called attention to the growing necessity of an establishment for an iron navy. The law, while requiring an examination of other places by a board, authorizes no action by the Department for the acceptance of any other than League Island, and I do not, therefore, propose to canvass the merits or demerits of New London or Narragansett bay.

League Island has the requisite of fresh water, which is indispensable for an iron navy yard; and is remote from the sea, which renders it a place of security. The objections to it are its low alluvial soil, the cost of raising it to a proper grade, the depth it will be necessary to penetrate before reaching safe bottom, and the expense of piling, on which to erect superstructures. These are weighty objections, and it will require no inconsiderable expenditure to overcome them. In addition to those above enumerated, is the fact that the navigation of the Delaware river is sometimes obstructed by ice, and injury is sometimes caused by floating ice; but there is no river east or north of it where the objection is not much greater.

In regard to the location of naval depots, and the necessity of having them secure from foreign enemies, I cannot more distinctly and clearly present what are the requisites than by quoting from the report of a very able board of eminent officers and engineers on seacoast defences, made in 1820:

"Security against an attack by sea or land is undoubtedly the first condition required; for the destruction of an establishment of this nature involves with it the destruction of all those elements of a naval force which have been collected a long time beforehand during peace, to the incalculable loss of the public. Such a misfortune must be severely felt during the whole course of a war, and cannot well be repaired whilst it continues. This indispensable quality (security) must be obtained, as well as localities will admit, without having recourse to artificial fortifications; for these must be very costly, and, if that expense can be avoided, the same sums will be much more advantageously laid out in improving and aggrandizing the establishments of the depot. Thus, if equal in other respects, a place whose site is naturally strong, and whose position with respect to the general frontier is well covered, should be preferred to another that requires to be fortified."

The great essential here specified, of security from attack by a foreign enemy, appertains to League Island, which has, in that respect, strong topographical advantages. Its interior location might have constituted an objection at a former period, when only sailing vessels were in the naval service; but the introduction of steam has wrought a revolution in this respect, rendering the movements of our war vessels independent of wind and tide. Immediate contiguity to the ocean is no longer deemed an advantage, but a disadvantage. Steam, rifled cannon, and modern improvement in ordnance, have rendered harbors and depots immediately on the seaboard insecure. In a recent debate in the British Parliament, it was emphatically urged that Portsmouth and its immense and costly works must be abandoned, for the reason that a naval depot should not be within the range of five or six miles of an attacking force. If, then, fresh water be indispensable for a navy yard for the construction, repair, and dockage of iron vessels, and vessels that are clad with iron, there is no position east of the Delaware where the difficulties from ice do not exceed those urged against League Island, nor has any place been proposed that presents equal advantages, or is so secure from an attack.

While there are some obvious and admitted objections to League Island, no place has been proposed that combines so many advantages, unless it be the contracted and altogether inadequate yard at Philadelphia. That yard may, perhaps, be extended so as to double its present capacity, but, besides involving a large expenditure, it would then be insufficient for our future iron navy.

The occupation of League Island would not increase the number of navy yards that we now have, for, when once in operation, the discontinuance of the present site at Philadelphia would take place as a matter of course, and the avails could be, and doubtless would be, diverted to the improvement of the new location; whereas, the adoption of any other site would be the addition of another navy yard similar in character to those we now have, which is not required.

The conflicting reports, and the conditions annexed to the law authorizing the Secretary of the Navy to receive and accept League Island, have occasioned embarrassment, and I have therefore deemed it respectful to delay action until Congress should convene. As neither the harbor of New London nor the waters of Narragansett bay are adapted to the purposes and wants of an iron navy, whatever may be their advantages in other respects, and as League Island has the requisites of fresh water, security from external enemies, and proximity to iron and coal, I propose to receive and accept for the Government the munificent donation of the city of Philadelphia, unless Congress shall otherwise direct.

MATERIAL.

The time has arrived when, in order to maintain ourselves and our true position as a nation, we must have a formidable navy, not only of light-draught vessels to guard our extensive and shallow coast, but one that with vessels always ready for the service, and of sufficient size to give them speed, can seek and meet an enemy on the ocean. In order to obtain the enormous steam power essential to great speed, we must have vessels of the greatest magnitude.

Vessels of wood will always be built; but the causes that have operated to retard the introduction of iron vessels are disappearing. The working of iron has been much simplified; its application facilitated; new tools and machinery for working it are constantly being invented and improved; artisans skilled in its manufacture are becoming more common, and the material more easily wrought.

The progress of events renders it certain that iron will hereafter enter largely into the structure of vessels for marine service, although it will never entirely supersede wood. Our country produces the material in abundance, and we have no occasion to seek it from abroad. While our forests are disappearing, inexhaustible resources in iron are being developed. That it is for the interest of the Government to be prepared to meet some change in the material and structure of our naval vessels need not be repeated. It must provide the necessary yards and establishments for each, and have them properly located, in which to build its ships-of-war, and at least one of them should be specially adapted to iron. No private establishment can undertake such heavy work as the Government requires for its armor and steam purposes. Possessing advantages that no other nation enjoys, we should avail ourselves of them. Our iron and coal are found in the same region, and we have fresh-water rivers in which iron vessels can be docked and kept clean, and from which all enemies can be excluded.

In the construction of the iron and iron-clad vessels which the Department has now in progress every effort has been made to have them promptly completed. It is believed that nearly every rolling-mill has been engaged that is able to do the work; and yet these vessels are several months behind the time within which they were to have been completed. The Department is convinced that the contractors have done their best; and yet it is with great difficulty that these comparatively small vessels and the moderate-sized iron required can be procured for them as soon as wanted, so much does the demand exceed the capabilities of the mills to supply. These facts demonstrate the necessity for public works where vessels of great magnitude are to be constructed. Had the Government been prepared for this heavy work, much of the delay which has embarrassed naval operations might have been avoided. Private establishments would have been relieved, and enabled to furnish a larger quantity within the scope of their own manufacture.

It is as important that the Government should build its own ships of iron as of wood. If the apparent cost in either case is greater, the actual value is also greater. It is of the first importance that the material, whether of iron or wood, should be of the best quality; and as regards iron, this can be insured and made certain only by its being received and reworked at Government establishments. The large quantities required will always enable the Government to purchase on economical terms. It is well understood that the qualities of iron vary greatly, and the use of inferior kinds will be both injurious and expensive. Experiments with shot in target practice demonstrate that some qualities have much greater powers of resistance than others, and are therefore better for armature. Other qualities may better resist corrosion, and be more suitable to the action of sea water, and still others may be adapted to the internal parts exposed to different chemical action. These qualities and denominations will be ascertained by observations and tests that the Government can alone well make and faithfully apply in the construction of its war vessels. Contractors and private establishments will not be equally vigilant and careful in making the proper selections and assortings.

An establishment such as the Department has in view, and has heretofore recommended, will enable the Government to have all the advantages of the best and most suitable descriptions in the construction of vessels of iron and iron armature. Steam machinery, anchors, chain cables, and heavy iron work for the naval service, would be manufactured at the same establishment to advantage.

The necessity of such a dock-yard and establishment is becoming so important that I deem it proper again to present the subject to the consideration of Congress. As yet we have but few iron vessels, and these chiefly of foreign construction; but we have built and are building iron-clad vessels at private establishments—not one at our public yards.

In sustaining our position as a naval power we must be prepared for reverses that may befall us in battle or by calamities incident to ocean service. A wise precaution will always provide a reserve of ships to take the place of those that may be injured or destroyed. Vessels should be in different stages of progress of construction, thereby giving constant employment to a certain number of skilful mechanics. Stores of material can well be accumulated in days of peace for the emergencies of war.

Such was the former policy of the Government, and for many years an annual appropriation was made for the gradual increase of the navy. Under this policy there were, in times of peace, large accumulations of material at the different yards. It was from the stock thus collected and seasoned that our vessels were mainly built.

Gradually this policy was changed. Successive Administrations, with a view to the appearance of economy, and a show of small expenditure, restricted the estimates for supplies to amounts barely sufficient to keep its few ships afloat.

The war found us literally destitute of materials in our navy yards, as well as with but few ships to sustain the national integrity. From mistaken economy, or from design, the Government was, in its need, deficient in ships, and destitute of material for their construction. No alternative was left, when resistance was made, but for the Department to build its vessels as speedily as possible, and of such timber as could, in the great haste and emergency, be procured. As a consequence, vessels that should have lasted for years will soon perish, and must, in the meantime, involve heavy expense for necessary repairs in order to keep them afloat.

As vessels of wood will always be used to some extent for naval purposes, and as they can, for the present at least, be constructed more speedily than of iron, it will be wise economy to have a reasonable quantity of timber always in store.

A special appropriation annually for the purpose of accumulating a stock of material must always be advantageous to the Government. In that way the navy can be best and most economically supplied; can make better purchases, and have more time to examine and test the deliveries.

WESTERN DEPOT AND ESTABLISHMENT.

It will be advisable at an early period to establish a naval depot on one of the rivers in the valley of the Mississippi, where we now have a squadron equal in numbers to the whole navy of the United States at the commencement of this Administration. The want of an establishment in that quarter, where vessels may be constructed, armed, and armored, equipped, and repaired, has been severely felt, and in the absence of such an establishment the Department has been compelled to resort to expedients that may have been sometimes disadvantageous.

For an iron navy the great rivers of the West are well adapted, and the immense resources in iron and coal, that are distributed throughout that region, indicate what must be the undoubted policy of the Government, at no distant period, in relation to such an establishment. The time may not have arrived when the selection of a permanent location for a navy yard and foundry shall be made, but it must be in the near future, and until then the Department will be dependent, in a great degree, on private establishments, and such temporary arrangements as can be secured.

HARBOR DEFENCES.

A long period of peace had rendered the Government inattentive to the defence of the harbors, and, under recent alarms, the municipal authorities of many of our cities have made application for naval vessels to protect them from apprehended danger. Although solicitous to relieve any portion of our citizens even from unnecessary alarm, the Department could not furnish the force required for every place exposed, nor has it been anticipated that such force would be expected of the navy. It has been the understanding that the fortifications were to be relied upon as furnishing the required security, while the navy performed a different service. No longer ago than May last the chief engineer of the War Department in a communication to Congress states that, "as a general rule, with hardly an exception, the permanent defensive works of the United States were designed to forbid the passage through the waters subject to their fire of hostile vessels, or to prevent the use of such waters by an enemy in his vessels, or to secure the use of the waters for our own vessels. So long as these forts fulfil these conditions, our fortified ports, navy yards, and harbors of refuge will be secure against injury from an enemy's ships, and the waters protected by them will be available for the use of our vessels and forbidden to those of an enemy. That is to say, these forts are designed as defences against any hostile military Power afloat."

While there may be difference of opinions as to the views here expressed, there is none whatever that the fortifications at our principal ports should be, and doubtless are, adequate defences against any cruiser or cruisers that may be afloat in the cause of the insurgents. It has not therefore entered into the estimates and arrangements of the Navy Department to furnish vessels for the defence of our ports, nor to detach them from other imperative duties for that purpose, when other provisions have been made by the Government, and have been uniformly relied upon for their protection.

DOCKING.

Our facilities for docking ships are altogether inadequate to our naval wants, and in a foreign war with a formidable Power our condition would be deplorable. We have but one dry-dock at each naval station, and three of our six docks are of wood, being both perishable and combustible. The capacity of these docks is much below the size required for some of the vessels we are now building, and such as we must build for the future. Other nations, finding themselves in a similar condition, are now enlarging their dry-docks; and we, having but three permanent ones, and they designed for vessels of less dimensions than some we now build, should have new and suitable ones, and their construction should be forthwith commenced. Some of them should be at least 550 feet in length, with a breadth of 80 feet, to admit of large increase. Docks of wood are too perishable, and require greater depth of water for heavy ships than our harbors can furnish.

The importance of constructing wet basins at such of the navy yards as are sufficiently capacious to admit of it, adverted to by the Chief of the Bureau of Yards and Docks, is commended to the consideration of Congress.

REORGANIZATION OF THE DEPARTMENT AND THE NAVY.

The act of the 5th of July last, reorganizing the Navy Department, creates three additional bureaus. This insures a much better distribution of the labors and very much simplifies and facilitates the business of the Department. The law has so recently gone into operation, and the officers have so lately entered upon their duties, that the results and benefits are but partially developed. I am satisfied, however, even in this early stage of the proceedings, that the change will be productive of efficiency and economy, and be advantageous in every respect, while the energy and talent of the chiefs who have been brought into the counsels of the Department will inspire it with additional vigor.

The greatly increased labor imposed upon the Department in consequence of the greatly increased force both of men and vessels in service, with a vastly more active employment, calls for additional clerical force in order that justice may be done to the service and the Government.

By the law of December 21, 1861, it was enacted that any naval officer, whose name had been borne on the Naval Register forty-five years, or who had attained the age of sixty-two years, shall be retired from active service, and his name be entered on the retired list of officers of the grade to which he belonged. The President, by and with the advice and consent of the Senate, was authorized to detail retired officers to active duty, and might, on their receiving a vote of thanks from Congress, upon the recommendation of the President, be restored to the active list, and not otherwise.

By the same law the President was authorized to select any officer from the grades of captain or commander and assign him to the command of a squadron, with the rank and title of "flag-officer," and the officer thus assigned was to have command in full as if he were the senior officer of the squadron.

The officers of our blockading squadrons and of the Mississippi flotilla were recognized flag-officers until the passage of the act of the 16th of July establishing the grade of rear admiral, when they received that appointment.

The act of July 16, 1862, "to establish and equalize the grade of line officers of the United States navy," does justice in conferring ranks and grades that had, until that time, been withheld from as meritorious and gallant a class of officers as ever devoted their days and perilled their lives for their country. Though the justice to which they were entitled has been long delayed, it was gracefully and generously rendered by the present Congress, and has been and is appreciated by the brave men who are its recipients, and by all attached to the service, as a just recognition of the worth and ability of the officers of the American navy. It is a gratifying fact, also, that our countrymen have responded with such unanimity to the action of Congress, and that the unworthy prejudices against naval titles and honors that once existed have so generally disappeared.

The commanders of our squadrons now hold rank with those of other naval Powers on the ocean, on distant service, and wherever they carry our flag or appear as the representatives of their country.

The operations and working of the law may be improved and modified, in some respects, without changing the general principles of the bill, which are correct.

Votes of thanks having been rendered Flag-officers L. M. Goldsborough, S. F. Du Pont, D. G. Farragut, and A. H. Foote, they were nominated to the Senate for the place of rear admiral on the day subsequent to the approval of the act. At the same time the names of Captains Charles Stewart, George C. Read, William B. Shubrick, Joseph Smith, George W. Storer, Francis H. Gregory Eli, A. F. Lavallette, Silas H. Stringham, and Hiram Paulding were sent in for confirmation as rear admirals on the retired list. The nominations not having been submitted until the closing hours of the session, were not acted on by the Senate, but the officers have been continued in the places to which they were promoted. Officers commanding squadrons, who, by the act of December last, were entitled to the rank and title of flag-officers, have, since the passage of the act of July 16, been awarded, while on duty, the position of acting rear admiral, thereby conferring on them rank corresponding with that of officers