To the President of the United States:

SIR: In laying before you, at this time, a succinct view of the condition of our navy, and its operations during the past year, it affords me great pleasure to state, that its gradual increase and improvement are such, as might have been anticipated from the ample means for that purpose which have been afforded by the liberal policy of Congress.

All the services required of our naval force have been promptly performed; our commerce has been protected in the remote as well as the neighboring seas; our national character has been sustained at home and abroad, while a large portion of our naval officers, seamen and marines, have been kept in active service, under a strict discipline, calculated to fit them for all the duties which may be required of them, whether in defending our property on the ocean from pirates or open enemies, our shores from hostile aggression, or our flag from insult.

An inspection of our navy yards at Portsmouth, Boston, New York, Philadelphia, Washington and Norfolk, made in August and September last, in company with the Commissioners of the Navy Board, has afforded me the most satisfactory evidence of our means, in a short time, of increasing our navy to any extent the exigencies of our country may require.

The officers in charge of those stations perform their duties with great ability and zeal; the building and repairing of our ships are conducted with dispatch and economy; and the ample materials on hand for naval purposes are preserved with the greatest care, and by all the means which science and experience can suggest to prevent decay.

Our naval force consists of six ships of the line, and seven frigates now building, for the completion of which additional appropriations to the amount of $1,527,640 will be required; of five ships of the line, two frigates, and six sloops of war in ordinary, requiring repairs which will cost $1,362,000, in addition to the materials on hand for that purpose; and of one ship of the line, four frigates, eight sloops of war, and six schooners in commission,—in all, twelve ships of the line, thirteen frigates, fourteen sloops of war, and six schooners. Besides which, the frames of ships procured, or under contract, for the gradual increase of the navy, and other materials on hand or under contract for that purpose, will afford the means of bringing into the service, as soon as it can probably be required, an additional force of five ships of the line, eleven frigates, seven sloops of war, and two schooners, the building of which may be immediately commenced on launching our vessels now upon the stocks.
Our vessels in commission during the past year have been employed, as heretofore, in protecting our commerce in the Mediterranean, in the West Indies, on the coast of Brazil, and in the Pacific ocean.

The ship of the line, Delaware, the frigates United States and Constellation, the sloop of war John Adams, and the schooner Shark, have been thus employed in the Mediterranean; and the frigate Potomac, after her return from the Pacific and Indian oceans, was repaired, and sailed on the 20th of last month to join the Mediterranean squadron, from which the frigate Constellation had been ordered to return. This frigate arrived at Norfolk on the 20th instant. The sloop of war John Adams returned to the United States in February, from the Mediterranean, and sailed again for that station in August last, after receiving necessary repairs.

On the West India station, the sloops of war Vandalia, St. Louis, and Falmouth, and the schooners Grampus and Experiment, have been employed. The St. Louis returned to Norfolk in July last, where she has been repaired, and from whence she sailed on the 14th instant to resume her station in the West Indies. The Vandalia returned in August last to Norfolk, where she is undergoing considerable repairs, which it is believed will be completed early next month, when she will return to the West India squadron.

The sloops of war Natchez, Ontario, Erie, Lexington, and Peacock, and the schooners Enterprise and Boxer, composed our squadron on the coast of Brazil. The Erie did not sail for this station until August last. The Lexington returned to the United States in April, and the Peacock in May last. The Enterprise returned in April, and sailed again for the Brazilian station in July last, in which month the Boxer returned to the United States, and, after being repaired, sailed for the Pacific. The Peacock is now undergoing considerable repairs, and is expected to be ready for sea early in February next.

For our station in the Pacific, the frigate Brandywine sailed on the 2d of June last, to co-operate with the sloops of war Fairchild and Vincennes, and the schooner Dolphin, and with the Boxer, now on her way to that station, from which the Falmouth returned on the 1st of February, and, after having been repaired, sailed for the west India station in March last.

Our naval force, consisting of commissioned and warrant officers, petty officers, seamen, ordinary seamen, landsmen, and boys, amounts to 6,072; and our marine corps, under its new organization, will consist of commissioned officers, non-commissioned officers, musicians, and privates, to the number of 1,283; making a total of 7,355.

The dry docks at Boston and Norfolk have fully answered the most sanguine expectations that were formed of their usefulness. They are now deemed indispensable to a speedy and economical repair of our larger vessels. But the two already finished are not sufficient for the purposes of our navy. An additional dry dock, at some intermediate point between Boston and Norfolk, would greatly promote the purposes for which our navy is established and maintained. As a site for such additional dry dock, the harbor of New York presents greater advantages than are to be found in any other situation; among which, may be enumerated the great commerce of the place; the facilities which the city of New York affords for recruiting seamen, and for procuring all materials, as well as for employing skilful mechanics and laborers necessary for repairing vessels.

The experience acquired in making the two dry docks already finished, cannot fail to be of great advantage in the construction of a third.
I would respectfully repeat a recommendation of my predecessor, that authority be given to construct two or three steam batteries, as the means of testing the application of steam to the purposes of national defence.

It can hardly be doubted that the power of steam is soon to produce a great revolution in the defence of rivers, bays, coasts, and harbors, as it has already done in the commerce, intercourse, and business of all classes of men in Europe as well as America. This subject has already attracted the attention of the maritime powers of Europe; and our honor as well as safety require that no nation, whose fleets may come in conflict with ours, should be in advance of us in the science and application of this power, upon which the success of our future wars with them may depend.

Should the power of steam, as a means of defence, produce all the effects that may be justly anticipated, it will diminish, in some instances, the necessity of permanent fortifications on our coasts, by substituting those which may be moved from place to place as they may be wanted, and in our own waters become the formidable engines of attack as well as defence. The heavy and cumbrous steam vessels and batteries, with their necessary apparatus and supplies, which may be brought into action with the most powerful effect by a nation near its own shores and harbors, cannot be transported over distant seas and oceans for the purpose of attacking its enemies. Should, therefore, the application of steam become a part of the system of maritime war, it is a consolation to reflect, that it will greatly diminish the frequency as well as horrors of such war, inasmuch as it will hold out much greater advantages to the defending than to the attacking party, and take from the aggressor in a great degree his hope of success, and, of course, his motive for action.

I can add nothing to what has been frequently urged in favor of a peace establishment for our navy; but must be permitted to state, what has often before been stated, that the compensation of commanders of our ships on foreign stations is altogether inadequate to an honorable discharge of their duties. They are compelled to incur expenses beyond the amount of their pay and rations, or decline to receive and return civilities uniformly offered to them on such stations, and upon which our friendly relations with foreign nations may, in some degree, depend.

The course pursued by our officers, under such circumstances, has been such as national as well as professional pride have dictated; and, of course, they frequently return from their tours of service deeply in debt; one evil consequence of which is, that it adds to the inducements of our officers, to prefer service on our home stations to service at sea; whereas the pecuniary consideration should always be in favor of the sea service.

Much inconvenience frequently arises from a want of power to make transfers of materials purchased for the navy, under certain appropriations, to the purposes of other appropriations, under which they are more immediately wanted. A power to make such transfers, guarded by limitations, similar to those imposed upon the power of making transfers of money from certain appropriations to others, would save much time and expense in the building and repairing of our ships.

Under the act of the 30th of June last, for the better organization of the United States' marine corps, the appointments of officers authorized by the same have been made; and the additional number of privates required will be recruited with all convenient despatch.

So much of the military regulations, for the discipline of the marine corps, as were in force at the passing of the act, and not inconsistent with the same,
will continue in force until superseded by regulations which shall be prescribed in conformity with the provisions of the eighth section of that act.

It is believed that the discipline and harmony of the officers and men of the navy proper, and of the marine corps, will be promoted by placing the marine barracks without the bounds of the different navy yards with which they may be connected. This arrangement would create but little additional expense to the Government. The marine barracks at Portsmouth, should it be thought proper to retain them as such, are at a sufficient distance, and might be easily separated from that part of the navy yard in which ships are built and repaired, and in which are placed the work-shops and stores of that station.

The marine barracks at Boston are within the bounds of the navy yard, but so decayed and dilapidated as not to be worth repairing, and they occupy a space designated for another purpose in the yard. A situation for barracks, sufficiently near the yard, it is said, can be procured upon reasonable terms.

The marine barracks at the navy yard at New York were condemned, in 1826, as unworthy of repair. The officers attached to this station have been allowed house-rent in lieu of quarters. An appropriation of $30,000 has been made for the erection of marine barracks at that station, and $6,000 for the purchase of a site for the same; but, as yet, the site has not been purchased, nor selected.

At Philadelphia, the barracks are within the navy yard; but unfit for use as such. It will be necessary to construct new barracks at that station.

At Washington, the barracks are not within the navy yard.

At Norfolk, the barracks are within the bounds of the navy yard, but inadequate to the accommodation of the force required there. Besides, they are much out of repair; and the commanding officer has been, necessarily, allowed house-rent in lieu of quarters.

At Pensacola, no permanent marine barracks have been prepared. The officers have been allowed house-rent, and the men have occupied temporary buildings. It is proper here to observe, that the plans of the navy yards, prepared and approved under the act for the gradual improvement of the navy, make no provision for barracks within the navy yards, except at Portsmouth.

Under the first section of the act concerning naval pensions and the navy pension fund, passed the 30th of June last, fourteen pensions to widows have been renewed, and thirty-seven original pensions have been granted, in pursuance of the provisions of that act. These constitute a heavy charge upon the fund; and require for their payment, annually, the sum of 16,062 dollars.

Under the second section of that act, the sum of $141,303 80 has been reimbursed to the fund for the cost of the stock of the Bank of Columbia, heretofore purchased by the commissioners of the fund, with interest thereon, from the period at which said bank ceased to pay interest, to the time of reimbursement. $141,300 of the amount have been vested in the stock of the Bank of the United States, as authorized by the act of Congress of the 16th of July, 1832. The state of this fund will appear by documents annexed, marked M, M 1, and M 2.

The number of invalid pensioners is two hundred and eighty-seven. Should all of them claim, which is improbable, the amount required for their annual payment will be $23,921.
The number of widow pensioners, including those under the act of the 10th of June last, is one hundred and nine; and the amount required for their annual payment is $24,023—making the annual charge, according to the present pension roll, $47,254.

From the account of stocks, heretofore annexed, marked M, it will appear that the income of the fund, arising from those stocks, and others to be purchased by excess of money on hand, will be about $70,000 per annum. It is believed, therefore, that the fund will be sufficient for all the ascertained claims upon it, under existing laws; and the surplus of next year, which may be estimated at from $15,000 to $20,000, will, it is presumed, be enough to meet the ordinary increase of pensions for several years.

Of the privateer pension fund, the act of Congress of the 19th of June last revived five years' pensions to widows of officers, seamen, and marines, slain or lost on board of private armed vessels.

In twenty-eight cases brought to the notice of this department under this act, more than five years had elapsed from the date when their former pensions expired. They being sustained by satisfactory proof, were settled in the office of the Fourth Auditor, and the accounts certified by the Second Comptroller of the Treasury. The amount to pay these accounts was $15,480. Under the act, twenty-six pensions were renewed; of which, one expired on the 10th day of October last, and one on the 28th instant. One will expire on the 4th of March, four on the 1st of February, and nineteen on the 1st of January, in the year 1835. The payments on these, to the 1st of July last, amounted to $11,995 20; and the sum required, to complete five years' pension to each, will be $1,320 80.

In addition to the above, there are thirty-four invalid pensioners on the roll; and the sum necessary to pay them will be $3,016 per annum.

It will be seen in the annexed statement, marked No. 1, that the amount in the Treasury on the 1st instant, to the credit of the fund was $1,261 46 Stock owed by the fund (N) $ 16,567,05

Total, $16,828 51

After paying the claims that have as yet been preferred under the act of the 19th of June last, and it is believed that but few additional claims under the act can now be brought forward, it is estimated that the fund will be sufficient to pay, for four or five years, all the invalid pensions chargeable to it.

From the statement annexed, marked O, it will appear that the amount to the credit of the navy hospital fund, on the 1st instant, was $35,559 04. The income of the fund arising from deductions in the settlement of accounts in the Fourth Auditor's Office, will be nearly $16,000 per annum. The expenditures for several years will probably not exceed $13,000 per annum. This will leave balances not wanted for current expenses. The propriety of authorizing, by law, the investment of such balances in some well secured productive stock, is respectfully suggested.

By the statement hereunto annexed, marked P, it appears that, of the appropriation heretofore made for the suppression of the slave trade, there remains in the Treasury a balance of $14,213 91. It is not believed that any further appropriation for this purpose is necessary at this time.

It will be perceived by the estimates, that nothing is asked on account of the contingent expenses of the Secretary's office of this department. A proper degree of economy has rendered any appropriation for those expenses,
for the ensuing year unnecessary. This circumstance affords me an apology for stating, that some of the officers connected with this department do not receive an adequate compensation for their services.

The chief clerk of the commissioners of the Navy Board, and the warrant clerk and the clerk keeping the register of correspondence of this department, perform arduous duties, which require talent and experience. Their salaries respectively are less than are paid in other departments for services of no greater difficulty and responsibility than their's; and are inadequate to the decent support of themselves and families.

An estimate for an increase of $100 dollars to the salary of the first, so as to make it $1,700 per annum; and of $400 to the latter, so as to make them $1,400 to each, is respectively submitted.

The salaries of the chief clerks of the commandments of the navy yards at Boston, New York, Washington, and Norfolk, are evidently below what may be considered a fair compensation for their services. I therefore solicit a small increase of $150 to their salaries respectively, so as to make them $900 each, as stated in the estimates.

The superintendent of the southwest executive building receives at present but $250, and the two watchmen for the same but $300 each per annum. It is respectfully recommended, that an increase of $250 be made to the salary of the superintendent, and of $200 to the salaries of each of the watchmen.

In the report of my predecessor of the 30th of November last, an estimate of the expense of purchasing and maintaining a lithographic press was submitted, as a means of procuring charts and blank-forms for this department, as well as for the several navy yards and vessels in commission, as also for the purpose of multiplying copies of drawings connected with the survey of the coast. As, in my opinion, the employment of such a press would be a saving of time and money, in the duties now performed by clerks and draftsmen in this department, and the branches of service connected with it, I respectfully renew the application for the necessary appropriation for this press; and annex hereto, copies of the letters of the commissioners of the navy board, and of Lieutenant Charles Wilkes, jr., heretofore laid before Congress, in favor of this application.

The charge of the coast survey, now under the superintendence of Mr. Hassler, was on the 11th day of March last transferred from the Treasury to the Navy department, to which it was thought more properly to belong. I have found this arrangement very onerous, as it imposed upon me new duties, which could not be performed without a careful examination of the accounts of what had heretofore been done on the survey, contained in a voluminous correspondence between the Treasury department and the superintendent. This arrangement also caused a short interruption in the progress of the work; but which has, nevertheless, been prosecuted with diligence and zeal by those employed in it.

The report of Mr. Hassler of the 17th of May last, and his supplementary report of the 11th of last month, with the maps, drafts and sketches accompanying the same, herewith transmitted, show the progress already made in this work under the law of 1832, and its connexion with the progress made in the same in the year 1817.

The situation of the base line on the south side of Long Island, has been most fortunately selected; as any error in this line would be attended with corresponding errors in the whole work depending upon the same, the
utmost care has been taken to have it measured with the greatest possible accuracy.

From what has been done in this survey, we may reasonably hope that this important work will advance with all the aid which science, skill, and industry can give it, and in a manner as honorable to the Government, under whose auspices it was begun, and has been continued, as it will be useful to the present and to future ages.

The information wanted for accurate and detailed estimates of the necessary appropriations for the continuance of the coast survey, cannot easily be obtained until further experience shall enable the officers engaged in it to introduce more system in the detail of duties and expenditure in their work than they have heretofore been able to do.

The sum of thirty thousand dollars was appropriated for this purpose the past year, and it is believed that an equal sum will be wanted for the ensuing year, as stated in the estimates.

Under the act of the 30th of June last, "authorizing the Secretary of the Navy to make experiments for the safety of the steam engine," preparations have been made for testing certain proposed improvements in steam boilers, but no such experiments have been exhibited or communicated to this department, that could properly form the subject of a report.

Since the last annual report from this department, the Legislature of Pennsylvania have, by their act of the 10th day of April last, ceded to the United States the jurisdiction over the territory now in their possession in the county of Philadelphia, and occupied for the purpose of a naval asylum for sick and disabled seamen, so long as the same shall be used by the Government of the United States for that purpose, with a reservation of the right to lay out a certain street called Sutherland Avenue, through the western part of said ceded territory; and with a proviso that all process, civil and criminal, of the commonwealth of Pennsylvania shall extend into, and be effected within, such territory.

The necessary references to papers and documents connected with this report, will be found in a schedule hereunto annexed.

I have the honor to be,

With great respect,

Your obedient humble servant,

MAHLON DICKERSON.