SIR: In the annual report from the Navy Department, which I now have the honor to present, I have taken the liberty, in addition to the usual statement of the operations of the squadrons and the general condition of the service and the public property, to recommend a still further gradual increase of the Navy, and to express frankly my views of the great importance of its reorganization, and the enactment of new regulations for the discipline and improvement of seamen. If they are urged with seeming pertinacity, my only apology is, a deep interest in the magnitude of the subject, and a conviction of the necessity of legislative interposition.

SQUADRONS.

The vessels composing the Home Squadron are, the frigate Columbia, the flag-ship, Commander S. B. Wilson; the sloops-of-war Albany, Commander J. T. Gerry; Falmouth, Commander T. D. Shaw; and the steamers Princeton, Commander Henry Eagle; and Fulton, Lieutenant Commanding J. K. Mitchell. Commodore J. T. Newton still commands this squadron. The cruising of the vessels of the squadron has been principally among the West India islands, and along the coasts bordering on the Caribbean sea and the Gulf of Mexico.

The Columbia returned to Norfolk, in obedience to orders from the Department, and on the 28th June sailed, under instructions to Commodore Newton, on special duty to St. Domingo. Having thoroughly surveyed the Bay of Samana and ascertained its depth and character, and examined the localities in its vicinity with reference to fitness for a convenient depot for naval purposes, the Columbia returned to Pensacola, and is now under orders to proceed to San Juan de Nicaragua, conveying to that point Mr. Wheeler, United States Minister Resident to Nicaragua, and Mr. Marlin, United States Minister Resident to Guatemala. The Princeton, Commander Eagle, sailed from Norfolk on the 31st of October for Pensacola, and will proceed on her cruise as a part of the Home Squadron. The Albany, Commander Gerry, in pursuit of the orders of the Commodore, has been actively cruising during the entire year, having visited, among other ports, those of Samana, Sisal, St. Thomas, La Guira, Curacoa, Carthagena, Aspinwall, San Juan, Port Royal, and St. Jago de Cuba. She has done good service, and Commander Gerry and his officers merit the approbation of the Department, as I have reason to know that the appearance of our flag at those ports, and the bearing of the officers, contributed much to
the encouragement and protection of our citizens engaged in commercial transactions in those regions.

The last official intelligence received from the Albany was on the 28th of September from Aspinwall, informing the Department that on the ensuing day she would sail for New York. There is no doubt of her having put to sea at the time mentioned. Much time having elapsed and no tidings of her having been received, it is but natural that painful anxiety should be felt, touching her fate. The prevalent opinion is, that she has sustained serious injuries from encountering storms recently prevalent in her course homeward, and that she has put into some port for repairs. With a view of obtaining information and affording relief, the steamer Princeton left Pensacola some days ago in search of the Albany. The Department still entertains the opinion that she is safe.

The Fulton, which until the 24th of April was under the command of Lieutenant James M. Watson, was in useful service, and having visited many of the ports of the West Indies, returned to the United States. On the 17th May she left Norfolk under the command of Lieutenant Mitchell, conveying to the port of Vera Cruz the Hon. Mr. Gadsden, our Minister to Mexico, and bearer of the treaty recently concluded between the United States and Mexico, where she remained until the treaty was ratified, and with it returned to the port of Washington, where she has since been necessarily detained, and is now ready for service.

The practicability of inter-oceanic communication by the construction of a ship canal across the Isthmus of Darien, between Caledonia bay and the Caribbean sea and the Gulf of San Miguel, on the Pacific has long been a subject of much speculation and controversy among men of science and learning. The magnitude of the work, and wonderful influence which its successful accomplishment might exert upon the commerce of the world, and more especially upon the intercourse between our Atlantic and Pacific possessions, induced the Department, with your approbation, to accept the services of an accomplished and enterprising officer of the Navy, Lieutenant I. G. Strain, who volunteered to undertake the exploration. The Caribbean Sea being embraced within the limits assigned as a cruising ground for the Home Squadron, the Department concluded that the Cyane, Commander Hollins, might, with great propriety, cruise in that region, take proper soundings at Caledonia Bay, and at the same time, with but little additional expense, convey any party that might volunteer to engage in the arduous and interesting exploration. Passed Midshipman Truxtun, First Assistant Engineer J. M. Maury, Midshipman H. M. Garland, and a few civilians, and seamen from the crew of the Cyane, also volunteered to embark in the adventure. The permission of the New Grenadian government having been cheerfully given, the Cyane sailed from Philadelphia in December last, and arrived at Porto Escoces, on Caledonia Bay, on the 17th of January. The party were landed, and proceeded to execute the special duty assigned. They succeeded in crossing the Isthmus, and returning, after encountering sufferings and hardships, and exhibiting powers of endurance, a spirit of enterprise, and a generous devotion to duty, eminently creditable to them as offi-
cers, and honorable to them as men. A few of the seamen and civilians were unable to bear up under their trying exposure, and expired. The Cyane returned with the party to New York. I refer you, however, for a more particular recital of the details of the expedition, to the interesting report of Lieutenant Strain which accompanies this communication, from which you will perceive that he is very decidedly of opinion that the work is totally impracticable, and thus, I apprehend, settles the question forever.

It is proper that I should remark that the officers of her Britannic Majesty's ship Virago, on the Pacific, were prompt and generous in extending timely relief to the suffering party, and that a proper appreciation of it has been officially communicated to her Britannic Majesty's government.

Intelligence having been received that the property of American citizens had been improperly detained by the people of San Juan de Nicaragua; that our Minister to Central America, Hon. Mr. Borland, had been treated with rudeness and disrespect, and that the interests of our countrymen required the immediate presence of a man-of-war in that neighborhood, the Cyane, being the most available vessel for that purpose, in obedience to instructions from the Department, put to sea again on the 19th of June.

On her arrival at San Juan, Commander Hollins, learning from Mr. Fabens, the United States Commercial Agent at that place, that the demand made by him, by order of the State Department, for a proper reparation of wrongs committed by them, had been treated with derision and contempt, after due deliberation, thought it expedient, through Mr. Fabens, to make a final demand upon the inhabitants for a satisfactory adjustment. As the result was entirely unsatisfactory, Commander Hollins gave notice on the 12th of July, by a proclamation posted in the most public places, that if the proposed terms of settlement were not complied with, he should, at 9 A. M. of the 13th, proceed to bombard the town of San Juan, to the end that "the rights of our country and citizens may be vindicated, and as a guarantee for future protection." He had hoped that the show of a determination on his part would, at this stage of the proceedings, have brought about a satisfactory adjustment: such, however, was not the case.

His appeals for adjustment were disregarded. His proclamation was only read to be treated with contempt. His return to his country after all this, without inflicting some punishment upon these lawless and reckless people, he thought would be but a signal for a renewal of insults and outrages. Having tendered boats for the removal of property and persons to all who would avail themselves of them, he bombarded the place and destroyed most of their property, without loss of life. I could not reprove this commander for his conduct. Humanity often lends her sympathies to the sufferer, however just the punishment, but patriotism rarely condemns the brave officer who administers that punishment from a sense of justice to his countrymen whose property is destroyed and whose national flag is insulted. We may well regret the stern necessity which constrained him, but it should be remembered that Commander Hollins had been compelled but a year before to in-
terfere and stop these same people in their progress of destruction of American property; that he had, besides, seen the report of our Minister speaking of them as "being persons, almost without exception, of notoriously bad character—some of them discharged penitentiary convicts and refugees from justice, habitually manifesting evil dispositions towards our citizens, and indulging those dispositions to the injury of persons and property whenever they are not restrained by force," and that he was "unable to regard them in any other light than as pirates and outlaws;" that he knew that this ungoverned populace had for a season restrained an American Minister's personal liberty and rudely assailed him; that they had retained and refused to surrender the stolen property of some of our countrymen; that they contemptuously turned a deaf ear to his appeals for adjustment, and that his alternative was to inflict punishment or return to his country with a well-armed national vessel and report that he had demanded satisfaction, and, upon being treated with contempt, had felt it his duty to come home.

Rash impetuosity on the part of those who hold in their hands, to some extent, the elements of war, cannot be too strongly countenanced. No officer should dare trifle with them. But I think that an acquaintance with all the facts and calm reflection will relieve our own people (who are justly sensitive of national honor) from any fear that a wrong has been perpetrated, and a reference to history may well silence the criticism of others.

The Cyane requiring extensive repairs, and owing to the condition of the crew from the unhealthiness of that climate and their previous exposure in the bay of Caledonia, her return to the United States became necessary. After receiving on board the archives of the Commercial Agency and Mr. Fabens and his effects, Commander Hollins proceeded to Boston, and the vessel on the 1st of September was put out of commission for the purpose of repairs, which are now completed.

The Falmouth, Commander Shaw, has been very recently put in commission, and will proceed to sea in a few days.

The Brazil Squadron, Commodore W. D. Salter, has attached to it the flag-ship Savannah, Commander Samuel Mercer; the sloop-of-war Germantown, Commander W. F. Lynch; the brig Bainbridge, Lieut. Commanding C. G. Hunter; and the store-ship Relief, Lieut. Commanding S. C. Rowan. The store-ship Relief returned to New York on the 29th of July for fresh supplies, and having taken in her cargo, sailed for Rio on the 24th of September.

The sloop-of-war Jamestown, which at my last report formed one of this squadron, having completed her cruise, returned to the United States and arrived at Philadelphia on the 2d of May.

The steamer Water Witch, Lieut. Commanding T. J. Page, is still actively engaged in the surveys of the rivers Uruguay and Parana.

This squadron is efficiently engaged in taking care of the interests of our country in that region, with which our commercial transactions are rapidly growing.

The African Squadron, Commodore Isaac Mayo, consists of his flag-ship, the frigate Constitution, Commander J. Rudd; the sloops-of-war
Marion, Commander H. Y. Purviance, and Dale, Commander Wm. C. Whittle. The brig Perry, Lieutenant R. L. Page, after having been on the station two years, arrived at Norfolk on the 16th of July. The Constitution and the Marion will be relieved early in the ensuing year, at which time they will have been two years on that station.

The vessels of this squadron have been actively, and in many instances successfully, engaged in checking the slave trade, and some of them have been regularly cruising on the coasts most frequented by slavers. The officers in command have also had it in their power to render assistance to merchant vessels in distress, and to our growing commerce, exposed to many dangers on the African coast.

The Mediterranean Squadron, Commodore S. H. Stringham, consists of his flag-ship, the frigate Cumberland, Commander A. A. Harwood; the steam-frigate Saranac, Captain J. C. Long; the sloops-of-war St. Louis, Commander D. N. Ingraham, and Levant, Commander C. C. Turner. The Cumberland will be relieved early in the spring, and authority has been given for the return of the Levant and St. Louis early in the ensuing year.

This squadron, during the past year, has visited many of the ports of Italy, Sicily, the Archipelago, and Greece, and also the coasts of Spain and Barbary; and has kept a watchful eye over American interests in the Mediterranean.

The Saranac, under instructions from the department, conveyed Mr. Chandler, the United States consul-general to Tunis, from Marseilles to Tunis, where he was landed on the 13th of July with the usual honors.

The East India Squadron consists of the sloop-of-war Macedonian, Captain Joel Abbot, the senior officer on the station; the steam-frigate Powhatan, Captain W. J. McCluney; and the sloop-of-war Vandalia, Commander John Pope. The steam-frigates Mississippi and Susquehanna, the sloop-of-war Plymouth, and the store-ships Southampton, Supply, and Lexington, are now on their way home—the steamers returning by the way of San Francisco. Commodore M. C. Perry, recently commanding this squadron, is, by permission of the department, returning to the United States by the way of England.

The vessels of the squadron, owing to the civil war existing in China, have had frequent calls made upon them for the protection of American citizens and property, and have been of great service to our countrymen in that remote region.

Commodore Perry, with the steam-frigate Powhatan as his flag-ship, Captain W. J. McCluney; the sloop-of-war Macedonian, Captain J. Abbot; the steam-frigates Susquehanna, Commander F. Buchanan, and Mississippi, Commander S. S. Lee; the sloop-of-war Vandalia, Commander John Pope; and the store-ships Southampton, Lieutenot Commanding J. J. Boyle, and Lexington, Lieutenant Commanding J. J. Glasson, arrived at Yedo bay, Japan, on the 18th of February, for the purpose of fulfilling the plans of which he had notified them the year before, and of endeavoring to establish commercial relations between Japan and the United States. By indomitable perseverance and remarkable management, he succeeded finally in overcoming the obstinacy and prejudices of the Japanese government, and induced it to enter into
a treaty of amity and peace, by which two of its ports, Hakodade and Simoda, were opened to vessels, and shipwrecked mariners of American vessels are guaranteed to have ample protection and kind treatment on whatever part of the coasts they may be cast. The above-mentioned ports were fully surveyed by our vessels, and are represented to be very convenient and commodious. Presents were also exchanged between the Japanese government and the United States.

The treaty having been concluded, it was entrusted to Commander H. A. Adams, who was directed to proceed in the Saratoga, Commander W. S. Walker, to San Francisco, and thence to Washington. On the arrival of the Saratoga at the Sandwich Islands, a more speedy conveyance offering, Commander Adams left her and reached Washington with the treaty on the 10th of July. Commodore Perry and those who accompanied him in his novel and perilous undertaking deserve well of their country. A new era seems, through their instrumentality, to be dawning upon the commerce of the world. It is difficult to calculate the wonderful results which present and future generations may experience from this promised gradual dropping off of the cruel fetters with which ignorance has so long embarrassed commerce, and this hopeful prospect of the spread of civilization and liberty and good government, so cheering to the Christian statesman.

The Saratoga proceeded on her way to the United States, and arrived at Boston September 1st, having been absent from the country for four years. I have expressed to Commander Walker and his officers, as also to the crew, my just appreciation of their good conduct, notwithstanding the expiration of their terms of enlistment.

I regret to state that, whilst the Plymouth was engaged in surveying the Bonin islands, Lieutenant John Matthews, with thirteen of the crew, when in a boat, encountered a severe typhoon, and were all lost. Lieutenant Matthews had a high reputation in the navy as an officer, and the men are represented to have been among the best of the crew.

The vessels of the expedition for the survey, and reconnoissance of Bhering Straits, the North Pacific ocean and China seas, after leaving Simon's bay, Cape of Good Hope, proceeded to Hong Kong, China; the sloop-of-war Vincennes, Commander C. Ringgold, and the brig Porpoise, Lieutenant Commanding A. B. Davis, by the way of Van Dieman's Land, through the Coral seas, passing the Caroline and Ladrone and Bashee islands, arriving at Hong Kong on the 17th of March; the steamer John Hancock, Lieutenant Commanding John Rodgers, the store-ship John P. Kennedy, Lieutenant Commanding N. Collins, and the tender Fennimore Cooper, Lieutenant Commanding H. K. Stevens, by the way of the Straits of Sunda and Gaspar, the Carimata and Billeton passages, and the Sooloo sea. Their arrival at Hong Kong is reported by Commander Ringgold early in June.

During the absence of Commodore Perry, with the greater part of the East India Squadron, at Japan, the civil war raging in China, and particularly in the vicinity of Canton, so alarmed American citizens holding immense property in that region, that Commander Ringgold considered it proper to suspend temporarily the special duties to which he was assigned, and render protection to his exposed countrymen and has thus failed to accomplish a large portion of the surveys that
had been planned for the present year. In addition to these embarrassments, Commodore Perry informs the department, under date of August 9, that, on his arrival at Hong Kong, he found the expedition laboring under serious disadvantages, owing to the unfortunate affliction of Commander Ringgold, which has rendered it necessary, in the opinion of the medical officers, that he should return to the United States. Commodore Perry having placed in charge of the expedition an experienced officer, Lieutenant John Rodgers, the next in rank, and the plan of operations marked out by him being considered judicious, the Department has directed him to proceed with all despatch to its execution.

The Pacific Squadron, Commodore B. Dulany, consists of the flagship St. Lawrence, Commander W. W. Hunter, the sloops-of-war Portsmouth, Commander T. A. Dornin, and St. Mary's, Commander T. Bailey. The frigate Independence, Captain J. Tatnall, bearing the broad pendant of Commodore W. Mervine, sailed from New York on the 9th of October, for the Pacific. Upon her arrival out, Commodore Mervine will take command, and Commodore Dulany will return to the United States in the St. Lawrence. The sloop-of-war Decatur, Commander I. S. Sterett, and the steamer Massachusetts, Lieutenant Commanding R. W. Meade, sailed from Norfolk, respectively, the 16th of June and 5th of July, to join this squadron. By last advices, they had reached and left Rio, on their way out; but the Massachusetts, after a day's sail, encountered and suffered seriously from a violent storm, and returned to Rio for repairs.

In addition to the above-enumerated vessels, there are on the Pacific coast the stationary store-ships Fredonia, Lieutenant J. D. Johnston, at Valparaiso, and Warren, Lieutenant D. McDougall, at the navy yard at Mare Island, California.

The St. Lawrence has been cruising most of the year between the ports of Payta and Callao, in Peru, and Valparaiso, in Chili. The Portsmouth returned from the Sandwich Islands to San Francisco on the 14th of January. The government having received sufficient intelligence to impress it with the apprehension that an unlawful expedition had left or was about leaving San Francisco, for the purpose of taking possession of territory belonging to Mexico, instructions were sent Commander Dornin to render prompt and efficient aid in assisting to arrest and suppress any such unlawful expedition as might be set on foot within the jurisdiction of the United States, and to exercise all lawful means of preventing the violation of law and infraction of treaty stipulations. To assist him in this, he was, with your approbation, authorized, if necessary, to charter a steamer for a short time, on reasonable terms. Commander Dornin considered it necessary, and for this purpose he chartered, at San Francisco, the steamer Columbus, belonging to the Pacific Mail Steamship Company. With this steamer and the Portsmouth he proceeded along the coast; and having evinced a determination to execute his orders, and unite with the civil authorities in promptly arresting and suppressing all unlawful expeditions, he unquestionably contributed largely to their early termination, and thus to the maintenance of friendly relations with a neighboring power. Some of the leaders were arrested, and many of the sick and
wounded availed themselves of the offer of Commander Dornin to return them to their homes.

After he had terminated successfully his efforts in regard to the unlawful expedition against Mexico, he received intelligence that about twenty American citizens were imprisoned in close confinement at Mazatlan. Having investigated the matter, and concluding that their confinement was improper, he interfered, and demanded their release. They were soon discharged, by order of the government of Mexico, and, at the instance of Commander Dornin, were conveyed, in the revenue cutter "W. L. Marcy," to San Francisco, at their own request. The Portsmouth did good service at Acapulco, in relieving American steamers from the embarrassment of a blockade of that port. When last heard from, she was at the Sandwich Islands, and is now probably on her way to the United States, under the order of the Department.

The St. Mary's, which left the United States on the 15th of October, 1858, joined the squadron at Valparaiso on the 20th of January. Complaints having been made of abusive conduct towards our shipmasters whose business carried them to the Chinchas islands, the St. Mary's was sent there in April. Commander Bailey found in port about one hundred and sixteen sail of vessels, two-thirds of which were American. The presence of the St. Mary's had a very beneficial effect, and the masters of the large fleet of merchantmen, both English and American, expressed themselves highly gratified at the prompt and energetic action taken by Commander Bailey in regard to their complaints and grievances. Whilst there he had an opportunity to return the protection which was afforded last year by Admiral Moseby, of the English Navy, to many of our countrymen by affording assistance and protection to Captain McClenan, master of the English ship Kildaire, which assistance and protection had been refused by the Peruvian governor of the islands. The St. Mary's, after cruising on the coast south of Panama, and showing our flag at Iquique, Arica, and various other ports, was, on the 29th of August, (the last advices from her,) at the Sandwich Islands, whither she had been sent by Commodore Dulaney, under instructions from the Department.

The steamer Michigan, Commander J. S. Nicholas, is still in commission on our northern lakes, and, during the last season, engaged in her usual cruising.

The steam-frigate San Jacinto, Captain Stirling, having received on board the new machinery recently constructed for her, put to sea on the 9th of August for a six months' cruise, with a view especially to testing the capacity of the machinery, in pursuance of the terms of the contract. When last heard from she was at Southampton, and, having undergone very slight repairs, was about proceeding on her cruise.

In addition to the employment of the vessels, officers, and men afloat, as thus recited, many of the officers and men of the Navy are assigned to duty on the Coast Survey.

INCREASE OF THE NAVY.

Although Congress, at its last session, promptly responded to the recommendation for the construction of six new steam-frigates, and for
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completing and launching the frigates Santee and Sabine, I am very far from entertaining the opinion that the enlargement of the Navy should stop here. The protection of our wide-spread commerce, the guarding of our extended coast, the preservation of our rank as a nation, demand that we should not be entirely stationary, and with inactive indifference behold the progress of other powers in naval strength. And it is hardly unwise to glance at the various national Navy Registers and compare the size of our Navy, not merely with that of the mighty nations with whom we claim equal rank, but with that of other nations whom we esteem to be far, far behind us in the race of national greatness. Even with the addition of the unfinished six steam-frigates, our naval force will not exceed fifty vessels in condition for service. Weakness invites aggression, and never inspires respect; while acknowledged strength and visible preparation command consideration, and are the true safeguards of peace. And, although our mission is peace, and no warlike messengers of propagandism are to be sent forth to force republican liberty upon reluctant victims of misgovernment, it may be well to remember that, in addition to the ordinary uncertainty which ever hangs around questions of peace and war in the distant future, we have to encounter illy-disguised jealousy of our peculiar institutions from those who cling with tenacity to the old system of government. Hear the language of one of your predecessors in a message to Congress more than a quarter of a century ago: "Unprovoked injuries are often inflicted, and even the peculiar felicity of our situation might with some be a cause for excitement and aggression. The history of the late wars in Europe furnishes a complete demonstration that no system of conduct, however correct in principle, can protect neutral powers from injury from any party; that a defenceless position and a distinguished love of peace are the surest invitations to war; and that there is no way to avoid it other than by being always prepared and willing, for a just cause, to meet it. If there be a people on earth whose more especial duty it is to be at all times prepared to defend the rights with which they are blessed, and to surpass all others in sustaining the necessary burdens and in submitting to sacrifices to make such preparations, it is undoubtedly the people of these States." The well-armed and well-manned ships of our Navy may be truly regarded as so many ocean sentinels stationed along the main to challenge at once any who might dare to seek an assault upon institutions sacred to us, but inconvenient to them. 'Tis true, we are at peace with the world; and so but a few months ago were the nations of Europe, and, under the benign influence of Christianity and civilization, seemed hopeful of a quiet future, with no rivalry but in arts, science, and national development. The scene is suddenly changed. War, with all its bloody calamities, is convulsing those mighty nations, and no prophetic statesman can foretell its extent or its termination. But who are interested in the Navy? It is not merely the citizen whose lot is cast along the coast, the wealthy merchant in our cities, the speculator in floating merchandise, but merchants, mechanics, planters, our countrymen all along the coast, up our rivers, beyond the mountains. The agricultural interest is as much benefited and protected by the Navy as any other. Every planter in every section is not more truly protected by the enclosure around his
farm, than by our "wooden walls" which float around our coast. The States which border on the Mississippi transport on its bosom their cotton, and grain, and sugar, and vast varieties of products, which are borne into the Gulf of Mexico. With no Navy sufficient to protect it in that region, who can appreciate the inconvenience and embarrassment which our planting interest will experience in war? But the great cost is often suggested. That should always be vigilantly watched by the prudent statesman; who should, however, remember that every dollar is expended among our own people in the purchase of material and payment of laborers; and that it brings into exercise the mechanical skill of our country, promotes, and thereby perpetuates, a class in our midst essential to our national independence. He who visits our Navy Yards, and lingers a moment in beholding the giant frames of the noble ships now being constructed by the genius, the labor, and with the material of our own country, will find that the money expended not merely results in presenting a floating battery to protect our property and our flag, but gladdens the hearts of hundreds of cheerful artisans, who pay it back into the treasury with fourfold interest. It is not wasted capital; it is not like the millions annually sent abroad to foreign capitalists to pay the debts contracted for schemes of extravagance, leaving embarrassment in its train. I do not propose to increase the number of officers, nor materially to enlarge the squadrons, and thereby increase largely our current expenses, nor to have a Navy of the immense size and expense of some of the powers of Europe. But I do propose so to increase the materiel of our Navy as at least to approximate to a state of readiness for emergencies which wise statesmen strive to avoid, but wiser statesmen prepare to meet. It will be my pleasure to co-operate with the legislative department of government in practically carrying out these views.

For a detailed statement of the actual condition of our naval force, I beg to refer you to the full report of the Chief of the Bureau of Construction, Equipment, and Repair.

In the exercise of the discretion imposed upon me by the act of Congress directing the construction of six steam-frigates, I decided, after mature consideration and inquiry, to have them built in the navy yards, under the more immediate supervision of the Department. The government had a fair supply of material, particularly of live oak, well seasoned; had erected ship-houses, in which the vessels while being built could be protected from exposure, and the mechanics employed could be sheltered comfortably, and able to prosecute the work in the most inclement weather.

On examination I discovered that there was neither material, building-slip, nor ship-house at Pensacola, and that the Franklin was being rebuilt, and the Santee altered and completed, at Kittery. I there fore ordered that immediate preparation be made for constructing the new frigates at the Navy Yards in Boston, Brooklyn, Philadelphia, Washington and Norfolk. There is no difficulty in securing the services of as many skilful mechanics and laborers as are desired. The public officers at the several yards have all manifested a deep interest in despatching the work with success. Much progress has been made, and I have no doubt six first-class steamers, equal to the expectation of
the country, will be completed as speedily as men and means can accomplish the work. Not having facilities for manufacturing the steam machinery necessary, except at the Washington Navy Yard, I had no alternative but to make contracts with private establishments for five of the frigates. These contracts have been made with builders of established reputation, and the contractors are busily engaged in fulfilling them. The plan adopted was to invite proposals, so as to call forth the best skill of the country, and, before adopting them, submit them for my guidance to a board of engineers. Bonds with approved sureties have been taken for the faithful execution of the work, and two-fifths of the contract price is to be retained until the machinery has worked successfully and satisfactorily at sea for six months. Before adopting any of the plans proposed, I thought proper, in consideration of the greater experience of England and France in the application of steam machinery to mne-of-war, to order the Engineer-in-Chief, Martin, to visit Europe with a view to availing himself of any improvements which may have been made. The observations made during his visit, and the interesting reports of Lieutenant Walker, who had been similarly engaged, will prove useful to the service. The Santee and Sabine frigates will be completed and ready for being launched in a few weeks. The Franklin is progressing rapidly, and it is confidently expected that the six steam-frigates will be launched certainly by the ensuing fall, if not earlier.

REORGANIZATION OF THE NAVY.

In my last annual report I ventured to express the opinion "that the present organization of the Navy is not only essentially defective and unwise, but is, in its practical operation, working palpable and serious mischief to the efficiency and character of that branch of the public service," and "that a retired list on reduced pay for the faithful who have become infirm; the discharge of the inefficient who have no claim on the bounty of their government for services rendered; promotion regulated by capacity, merit, and not by mere seniority of commission; and pay to some extent controlled by sea-service, are reforms not only demanded by the condition of the service, by considerations of justice, but absolutely necessary to the preservation of efficiency and usefulness." Efforts were made, during the last session, to accomplish many of the desired reforms. No final action was taken. Subsequent reflection, and experience of nearly two years' connection with the Navy, an extended acquaintance with the officers, and an attentive observation of the practical working of the present system, have not only confirmed me in the correctness of those views, but constrain me, at the hazard of the charge of pertinacity, to renew most earnestly my previous recommendations, and to urge their consideration and adoption with deep solicitude. So far as I have the authority at present, these views shall guide my action. I cannot recommend for promotion to higher rank and larger pay, officers who do not merit it, from incapacity, either moral or physical. I do not appreciate the justice or policy of promoting to a higher grade an officer who cannot perform its duties, unless in rare exceptional cases, as a complimentary reward for services rendered. It is neither more nor
less than elevating the incompetent, and then ordering the unpromoted
competent to do their work! Is there an alarm of fastening upon the
government an odious pension system? None can cherish a greater re-
pugnance to that than myself; but none can be more fully convinced
that it can be so well surrounded with safeguards, restrictions and lim-
itations, as to retain its virtues and reject its faults.

Is the particular plan of having the aid of a board of officers in as-
certaining the incompetent and unworthy objected to? I am not wedded
to that or any other scheme, provided the main object can be attained.
I should be content to have the Secretary from time to time officially re-
port to the President such names as he wishes should be retired or
dropped; that the President should transmit, if he thinks proper, their
names to the Senate, with a recommendation suited to each case. Thus
the President and the Senate, the appointing power, will be the remov-
ing power, and the apprehension of Star Chamber persecution and
being victimized by secret inquisition, now felt by some worthy officers,
would be quieted. But I forbear to fatigue with details. The magic
touch of reform is needed, and if skilfully applied will impart to the now
drooping body of our Navy a robust health and a new life. I believe
that sound policy, stern justice, demand it; that true economy is not op-
posed to it. I shall be happy to co-operate with Congress in effecting it.

I have no hesitation in saying that there are many officers now in
the Navy whose names do not adorn the Register. There are those in-
capable of performing duty from age or affliction. There are also
many good officers resigning from time to time, because the path of
promotion is "blocked up" by the incompetent, and the future seems
to them so unpromising. But it is my pleasure, as well as my duty, to
say that the corps is still full of chivalrous and gallant officers, who are
not only ready for the post of danger, but would sustain the proud
reputation of our Navy which has won so many laurels for our country,
and by its brilliant victories cheered the heart of many a desponding
patriot.

I will not, however, enlarge this report by repeating the views or
reciting the various amendments and modifications of existing laws
suggested in my last annual report, but content myself with renewing
the recommendation.

DISCIPLINE OF SEAMEN AND THE ENLISTMENT OF BOYS AS APPRENTICES.

While the just and liberal action of Congress during the last session,
authorizing an increase of pay of seamen corresponding to the com-
pensation in the merchant service, has done much to encourage enlist-
ments, and was received with grateful joy by many a veteran tar, much
remains yet to be accomplished to give proper shape, vigor, character
and success to the system of discipline in this important, indeed
vital part of the public service. Language cannot describe, the mind
can scarcely grasp, how much of happiness and wretchedness hang
around the fidelity, the discipline of the neglected sailor. Property,
life, victory, defeat, national honor and renown, have much to do with
the character and cheerful obedience and home-love of seamen.

I am very far from recommending the restoration of punishment
by flogging. In my opinion the experience of the Navy, at least, justifies its abrogation. The sloop-of-war Saratoga, Commander Walker, constituted a part of the squadron to Japan, left the United States in September, 1850, and returned in the same month of the present year, after cruising for four years beneath tropical suns and amid uncongenial people, thousands of miles from home. The term of the crew's enlistment expired while they were far in the east. They were informed while abroad that punishment by flogging was abolished. I allude to this case especially, as I think the test was a severe one. Yet, on their arrival at Boston the most flattering reports reach me of the good conduct and discipline of the crew. I deemed it proper also to address an inquiry on the subject to Commander Walker. He responds thus: "In regard to the first question, whether it is desirable to restore corporal punishment, I reply, that from experience, as well as conviction, I do not believe it would be desirable or for the interest of the service." And yet he and every officer concur in the necessity of prescribing and legalizing some substitute, accompanied, however, with a plan of reward as well as punishment; punishment prompt, sure, in order to restrain the offender and deter the inconsiderate; reward equally sure and generous, to encourage fidelity and promote respectability. It is not the severity but the certainty and promptness of punishment which promotes discipline. The sailor who now commits an offence aboard ship remote from home and the flag-ship, knows that he cannot be tried possibly for months, until the vessel arrives in port or falls in with the Commodore of the squadron.

I consider it all-important that the commander of any vessel should be authorized by law to order a summary court-martial for the trial of the petty officers and those below them; that they should have the power to punish by dishonorable discharge in any port; by confinement on reduced rations and without pay, with extra labor and denial of shore privilege. When the seaman knows that these punishments can be promptly inflicted by the officers in command of the ship, he has much to deter him from disobedience.

But, in order successfully to invite diligent and enterprising men, they must know that their integrity will be commended, and their faithfulness remembered. An honorable discharge, leave-of-absence pay, shore-privilege, and the confidence of the officers, will animate and encourage them. I hope I may be excused for repeating that "I deem it indispensable that some plan be adopted by which our seamen shall become more distinctly and permanently a part of the Navy, and attached to the service. Whenever a ship-of-war now returns from her three years' cruise, the officers are detached, and granted a leave of absence for three months, with leave-of-absence pay, but the seamen are peremptorily discharged—disconnected from the service. If they have been meritorious, I propose that on their return they be granted an 'honorable discharge,' (to be considered a leave of absence on pay,) if within a certain time they choose to re-enlist in the service. This would possess a two-fold virtue—of fair and generous treatment at parting, an invitation to continue a member of a family caring for them during a temporary absence."

I wish to raise the standard of character among seamen. It is my
design, also, immediately to adopt, in a modified form, the "Apprentice System," and encourage the enlistment of American boys from fourteen until they are twenty-one years of age. The object in view will be to train them up at first on our large Receiving-Ships, and transfer a certain number to each vessel starting on a cruise, to make them practical seamen, to teach them in their youth to become familiar with all the duties of a sailor, the requirements of the service, the sacredness of obedience to orders; to watch over their proper moral and mental training, and thus incorporate into the service gradually, but surely, a body of seamen to be proud of in times of peace, to be relied upon in times of danger. I am also very clearly of opinion that the number of men in the service should be increased at least twenty-five hundred.

MARINE CORPS.

The Marine Corps constitutes a most interesting, important, and useful portion of the naval force. Their service is equally effective on land and on sea. They are an armed and disciplined police on ship-board. Well trained and drilled before being detailed for duty at sea, aware of the fact that they are set apart to sustain the officers in command in the preservation of order and the suppression of mutiny, the first symptom of insubordination finds them ready, with strong hand and burnished arms, at the drum-tap, to put down disorder or disobedience.

Recent occurrences at sea, painfully fresh in the recollection of all, impress the mind most vividly of the practical value of such a body of men on ship-board in moments of peril and alarm, when mere panic and disorder are so often unnecessarily fruitful of desolation and death. But on land also their services have ever been found efficient, either in the Navy Yards or on shore far from their country. This corps accompany our men-of-war in all their cruises in times of peace and war, and have signalized their valor in many a field.

Their number now is entirely too small, and I earnestly recommend an increase by which more time would be allowed for their proper discipline and drilling before they are ordered to sea, and their efficiency rendered still more reliable. I am satisfied also that the corps could be improved and elevated in character, by adopting some system of appointing officers of military education and training.

YARDS AND DOCKS.

We have now eight Navy Yards, inclusive of the one now in rapid progress of construction at Mare Island, California. To keep these yards in proper condition for useful service, and to erect on them the necessary buildings and fixtures, occasion the expenditure, annually, of large sums of money, notwithstanding the diligence and vigilance of the Chief of that Bureau. Large appropriations will be from time to time required for the yard in California, which, it is presumed, will be a complete establishment, as it is the only one on the Pacific. The prices of labor and material and the necessaries of life in California are still far higher than on the Atlantic coast.

My immediate predecessor, (Hon. John P. Kennedy,) in his last annual report, recommended the construction of a basin and railway, in
connection with the floating sectional dock, in California, thus: "No appropriation was made for the basin and railway, without which the dock cannot be safely or usefully employed. I submit it to the decision of Congress whether these structures should not be made without delay."

Congress subsequently, in the naval appropriation bill, approved March 3, 1853, adopted the following section:

"And the Secretary of the Navy is hereby directed to complete and carry into execution the verbal contract for a basin and railway in California, in connection with the floating dock, as made by the late Secretary, in pursuance of authority for that purpose, given by the act of September the twenty-eighth, one thousand eight hundred and fifty, entitled 'An act making appropriations for the naval service for the year ending the thirtieth of June, one thousand eight hundred and fifty-one,' and as stated in the letter of the said late Secretary addressed to the honorable Howell Cobb, Speaker of the House of Representatives, and dated the twenty-first day of January, one thousand eight hundred and fifty-one, towards the execution of which one hundred and fifty thousand dollars is hereby appropriated: Provided, That, in the judgment of the Secretary, such basin and railway are necessary, and will be useful to the public service."

In my last annual report, I informed you that I had given the subject much investigation; that my predilections were decidedly in favor of stone docks; that Congress, however, had decided that a sectional floating dock is preferable in California; that I entertained the opinion, that a basin is necessary to render it safe when a large ship is docked for repairs, which may expose it to months of dangerous weather, and that I should proceed to execute the contract unless Congress should otherwise direct.

The difficulties about the title to Mare Island were not removed until July last. Previous to making the contract, the opinion of the Attorney General was asked as to the proper construction of the law, and he advised that it was mandatory in its terms as to the amount to be paid, and the execution of the contract, if the basin and railway were decided to be necessary and useful to the public service. He uses the following language: "Thus far the terms of the act are, in my opinion, positively mandatory, and it only remains to discuss the proviso to the clause, which is: 'Provided, That, in the judgment of the Secretary, such basin and railway are necessary, and will be useful to the public service.' * * In all machines, great or small, parts are found which are necessary to the action, or to the safety, or to the permanent value, of the machine. That is a mechanical question, to be settled by the Secretary, by the aid of experts and of engineers." I deemed it my duty to procure the opinion and advice of experts, engineers, and practical men, some of whose opinions, heretofore verbally given, I have caused to be reduced to writing. I refer to Mr. Lenthall, naval constructor and Chief of the Bureau of Construction, Equipment, and Repair, and the civil engineer, Mr. Sanger, attached to the Bureau of Yards and Docks. I am not acquainted with any two gentlemen more distinguished in their respective professions, and more entitled to the confidence and respect of the Department. It is proper that I should state, also, that these two gentlemen have always been adverse to the
construction of these floating docks; but on the question of the necessity and usefulness to the public service of the basin and railway in connection with the sectional dock, they have expressed themselves with clearness and force, and presented arguments and facts which, in my judgment, were convincing.

Mr. Lenthall, in answer to my inquiry, expresses himself thus: "In compliance with your request that I should communicate my opinion in writing, which on several occasions has been verbally given, as to whether the basin and railway are desirable or necessary, in connection with the sectional or floating dock, I would respectfully state that, without such an appendage, I would consider this floating dock, in a great measure, unsuitable for naval purposes. As a ship-builder, I could not recommend the execution of very extensive repairs, which are often necessary to ships of war, upon the uncertain foundation such a dock would present, and therefore I consider the basin necessary for its full efficiency. The danger to which such a floating structure would be exposed with a heavy ship upon it, probably for months, in my opinion renders this basin very desirable."

The following extracts are taken from the opinion of Mr. Sanger:

"In answer to the first inquiry, I have to say that, in my opinion, the only feature in these works which commends them to favorable consideration as suitable structures for naval purposes in making extensive repairs upon heavy vessels of war, is the connection of the dock, basin, and railway, so that when a vessel is put upon the dock for extensive repairs, and to remain a length of time, the whole structure can be floated into the basin and firmly grounded; the ship may then be taken on shore by the railway, or remain on the dock, and would, in either case, rest as safely as if on a building-slip, and would be shored and secured in the same manner. I am therefore of opinion that, Congress having ordered the construction of a sectional floating dock in California, the addition of a basin and railway to operate in connection with that dock at Mare Island becomes both necessary and useful. * * * * *

"These floating docks often answer a good purpose for making slight repairs, such as repairing copper, cleaning bottoms, or renewing copper, where the work to be performed requires but little time, and the ship is not weakened, but always in such condition that she could be let into the water at any moment without damages should necessity require it; but for extensive repairs, where the planking is removed and the upper works are cut to pieces, as is frequently the case, I should consider their use as very hazardous and unsafe, and I do not think they are ever used, or should be used, for such extensive repairs, unless in connection with a basin. * * * * * * * * * * * * * *

"I do not think that piers could be constructed in such manner as to render a heavy ship-of-war upon the dock safe, when reduced to the condition she must necessarily be placed in to receive extensive and thorough repairs occupying months, nor do I believe that any prudent naval constructor would risk a national ship in such condition for a length of time upon any floating structure."

I deemed it also my duty to visit the navy yard at Philadelphia and witness personally the operation of that dock, similar to the one in California. Notwithstanding the inconvenience and expense of dredging
necessary at Philadelphia, the national vessels entering that port have been regularly repaired on the dock and in the basin with entire success since its completion. During my administration of this Department this dock and basin have been successfully used for repairing the steamers San Jacinto and Fulton, and the sloops-of-war St. Marys, Cyane, and Jamestown. The San Jacinto was also hauled ashore on the railway, where she underwent several months repairing, leaving the dock in the mean time ready for any ship that might arrive. I am not to be understood as advocating or recommending government to adopt this system in preference to stone docks. But while I am decidedly of opinion that this plan of dock is inferior to the stone dock, in point of durability, safety, and because of the expense of repairing, and its requirement of a depth of water involving often the cost of dredging, I am also clearly of opinion that for naval purposes the basin and railway impart to it its chief value, and that without the former it would be unsafe.

Congress having previously chosen to construct the sectional dock on the coast of California, the only one on the Pacific coast; able and scientific officers having expressed the opinion and assigned reasons in favor of the necessity and usefulness of the basin and railway in connection with this dock, and being aware that the growth of our commerce, and the enlargement of our squadron in the Pacific, demanded the service of the dock, I deemed it my duty "to complete and carry into execution the contract" as described in the law, for the construction of the basin and railway, to render it secure and useful for the public service." For slight repairs these docks are used without the basin, and by authority of Congress the contractors have built temporary piers, and are using this dock in California for such purposes. But I could not consent, (except from necessity), to hazarding a national vessel on a floating structure like this for extensive repairs, with her planks off, in a weakened condition, to be exposed months to uncertain weather. The loss of one ship would equal the cost of the basin and railway, great as it is, and blame might then well attach to the Secretary who refused to protect it with a basin and railway, although Congress authorized him, and experts advised him of the hazard.

I am thus particular on this subject because of the amount involved. The dock is completed, and will soon be thoroughly tested. The contractors are actively engaged in building the basin and railway.

I informed you in my last report of the difficulties which had occurred in regard to the dock, basin, and railway at Pensacola. This is a balance, not a sectional dock. When I came into the Department I found that the contractors had already been paid up for these works the entire amount agreed upon, as well as the reserved ten per cent., and that a bond in the sum of two hundred thousand dollars had been taken from them for the protection of the government. The records indicate that this was done upon the certificates filed of the completion of the work, and the opinion of the Attorney General of the obligation of the government, and not the contractors, to procure by proper dredging the depth of water necessary for the operation of the on dock. A board had also been appointed, and the frigate Columbia selected to est the works, in ordre that the Department might decide whether or not the stipulations en-
tered into had been fulfilled. The report of the board was unfavora-
ble, and I declined accepting the works. The contractors insisted that
injustice had been done them in the mode of making the test, declined
attempting to float the Columbia into the basin with her armament on
board, protested in writing against having the works rejected upon this
test, and asked that another might be applied after they should make
certain proposed improvements and repairs. It has not been conve-
nient for the Department to spare any national vessel for a second test,
and I entertained the opinion that after the government had been to the
expense and inconvenience of furnishing one vessel, it became incum-
bent upon the contractors to demonstrate by a fair and reasonable test,
at their own expense, that the works were in truth worthy of accept-
ance, and that they had executed what they had undertaken.

Mr. Hartt, junior, Naval Constructor, who, until recently, was stationed
at Pensacola, and was one of the committee reporting adversely, in-
formed me in an official communication dated March 7, 1854, "that
from the external appearance of these repairs, &c., [he] am of the
opinion that the dock and basin is in a safe and better condition to per-
form the test than it was in May last; the basin required nothing to be
done to it, everything being in good order;" and after enumerating the
alterations and repairs, says: "I consider the repairs and alterations
enumerated above, of great advantage, as regards the safety and ef-
ciciency of the dock." Still I declined receiving the works. The
contractors proposed several different vessels with which to make
the test, but I declined, because I did not consider either of them of
sufficient weight and displacement to enable me to judge of the
capacity of the dock. Having then informed them that I should
deam it my duty to turn the case over to the courts of law, they
finally proposed another test, which I referred to the considera-
ton of a board consisting of Commodores Morris and McCauley, Con-
structor Lenthall and Civil Engineer Sanger. That board gave the
whole case a thorough investigation, and after consideration advised the
Department that it was proposed to take ballast in the large merchant
ship "The Monarch of the Seas," until her weight or displacement was
2,600 tons, and then place ballast on the dock until a weight of 3,300
tons was made up, that being the estimated weight of the "Niagara,"
(the largest of the new frigates,) with only her steam machinery and
its appurtenances on board, thus making a weight of 315 tons more than
was used in the former test. The vessel is to be placed on the dock,
flotted into the basin, and hauled ashore on the railway, and returned
again.

The board considering the details of the proposed test and arrange-
ments, recommend it as one that may be sufficient to enable the Depart-
ment to determine whether the works are worthy of acceptance or not.
The vessel is now on her way to Pensacola, and the second test will be
made immediately, when the Department will be the better able to judge
of the character of these structures. The interest of the government shall
be protected as fully as they can be, and every effort shall be made to
ascertain the true facts as to the character and capability of the dock,
basin and railway.

In the third section of the naval appropriation act, passed at the last
session of Congress, it was provided "That all the grounds and appurtenances thereunto belonging, known as the Memphis Navy-Yard, in Shelby county, Tennessee, be and the same is hereby ceded to the Mayor and Aldermen of the city of Memphis for the use and benefit of said city, and that the Secretary of the Navy order the commandant of said navy-yard at Memphis to surrender to the Mayor of Memphis said property." In pursuance of that provision of law, I addressed a communication to the Mayor of the city of Memphis, to ascertain the views of the Mayor and Aldermen as to the acceptance of the donation. On receiving from them a certified copy of their proceedings, expressing their readiness to receive the property, an order was issued to the commandant of the Navy Yard at Memphis to surrender the grounds and appurtenances to the Mayor. The order was obeyed, and in due form the surrender was made, and the property is now in the possession and under the control of the corporate authorities of Memphis. It is perhaps proper that I should state that there were sundry articles of property belonging to the government used in connection with that yard, the sale of which the Department has for the present suspended at the request of the Mayor and Aldermen, on their communicating to the Department that they had resolved to appeal to Congress to re-establish the Navy-Yard.

The ground and appurtenances, however, have, in pursuance of the law, been unconditionally surrendered, and the yard abandoned by the government.

MISCELLANEOUS.

The Naval Academy has during the past year continued to present to the country practical evidence of the wisdom and foresight of its projector. Under the vigilant superintendence of Commander Goldsborough and his worthy assistants, the strictest discipline has been enforced, to the marked benefit of this institution.

The plan of education is now thorough and the training of the youth admirable. The cruise in the Practice Ship is of immeasurable advantage in imparting at an early age practical knowledge of seamanship. During the last summer the Preble with 31 young midshipmen, visited Portsmouth and Plymouth in England, and Brest and Cherbourg in France, thereby affording them an opportunity of examining the naval establishments at those points. The contract has been made for the erection of a machine-shop at Annapolis under the act of Congress authorizing it, and I shall avail myself of the first opportunity when the service will permit, to substitute a steamer for the sloop now used as a practice ship. The number of students now at the Academy is one hundred and sixty. Attention is called to the report of the Chief of the Bureau of Ordnance and Hydrography, and the annual report of the Board of Examiners, as also that of the commander of the practice ship.

The Naval Observatory is still entitled to generous support, and eminently demonstrates the utility of its original establishment.

The achievements on sea quietly and gradually effected by Lieutenant Maury, although not attracting the admiration of the multitude, nor dazzling the beholder with sudden flashes of triumph, have reflected

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honor upon himself and his country; have brought remote nations in comparative proximity to each other; have promoted commerce, by pointing out to the mariner new paths on the great deep, where favorable winds and currents lend friendly aid. His "Wind and Current Charts," and "Sailing Directions," are saving millions of money, by shortening the voyages of merchant vessels freighted with treasures.

I am officially informed "that it was stated in a paper read before the British Association last year, that it was estimated in India that a set of wind and current charts for the Indian ocean, like those that have been constructed at this office for the Atlantic ocean, would produce an annual saving to British commerce in those seas alone of not less than $1,000,000, (£250,000), and for British commerce in all seas of $10,000,000 a year. This estimate was based on the condition of shortening the voyage only one-tenth, (whereas the average length of the passage to all places beyond the Equator has been shortened much more); and the estimate was again repeated at the last meeting of the Association in Liverpool." It has also been estimated that the value of these charts to the commerce and navigation of the United States is equivalent in the saving of time to several millions a year.

I trust that these considerations may prevent all objection to the comparatively small expense annually called for to sustain this establishment.

The Department is advised that Mr. Robert L. Stevens, of New York, is now rapidly progressing in the construction of the iron war steamer, to be shot and shell proof, for harbor defence, in accordance with his contract, under the acts of Congress of 1842 and 1852. In his communication of the 28th of October, he informs me that "the boilers will be ready to put on board in about three weeks, and the shafts, beams, cranks, and links, are nearly finished and turned," and that he has nearly five hundred men engaged on the work. It is very desirable that this vessel should be completed, large sums having already been expended by Congress upon it. If the undertaking is successful, and the contractor accomplishes what he promises, the benefits derivable from it for harbor defence are incalculable.

Great difficulty having been experienced in procuring American water-rotted hemp, special agents have been appointed in the districts of country in which it was most likely to be attained. The instructions for its inspection and receipt offer every inducement to encourage its preparation. The supply of hemp has been principally drawn from Russia, and the present state of affairs in Europe demonstrates the importance of our not being dependent on other countries for our supplies of this necessary article.

The estimates for the support of the Navy and Marine Corps for the year ending June 30, 1856, and for all objects coming under the control of this Department, are, in the aggregate $16,241,931 53

From which deduct special objects, including transportation of the mail in steamships 7,324,634 22

Leaves for the support of the Navy and Marine Corps 8,917,297 81
The estimate for the present fiscal year for the support of the Navy and Marine Corps was $8,351,171.19

The total amount drawn from the treasury during the fiscal year ending June 30, 1854, as exhibited by the statement of appropriations for the naval service prepared by the Second Comptroller of the Treasury, was $11,750,236.32
From which deduct repayments 948,391.04
Gives as the total expenditure for all objects under the control of the Navy Department 10,801,845.28
But of this amount there was expended for special objects the sum of 3,910,012.29
Leaving as the legitimate expenditures for the support of the Navy and Marine Corps for the fiscal year ending June 30, 1854 6,891,832.99

There are, however, outstanding claims to be paid out of the appropriation for the fiscal year 1853-'54.
Your attention is invited to the reports and estimates of the Chiefs of the several Bureaus connected with this Department. I perform but an act of justice in testifying to the fidelity and attention to business of all these officers, and in suggesting that the compensation to the heads of the Bureau of Construction, Equipment, and Repair, and Medicine and Surgery should be the same as that now allowed to the others.
You will perceive, from reference to the report of the Chief of the Bureau of Ordnance and Hydrography, the importance of the action of Congress in making necessary appropriations for ordnance, which will be much larger than usual, in order to enable the Department to supply the six new steam-frigates with armament which it is designed shall be of different and heavier calibre than heretofore used.
In pursuance of the suggestions of the Chief of the Bureau of Medicine and Surgery, the Naval Laboratory in connection with the Hospital at Brooklyn was reorganized in the fall of 1853, and placed on a basis to secure its success and enlarge its benefits to the service. Since January last the entire supply of medicines for the Navy has been prepared at that laboratory, thereby giving assurance that a reliable article is supplied, and that the service will not suffer from the imposition of spurious and deleterious drugs. As a matter of economy, also, the advantages will not be inconsiderable.
The letters of Commander Charles H. Davis, touching the Nautical Almanac, and of Professor Alexander, in regard to the character of alimentary substances, accompany this report, and will explain the progress made in their departments.
I have the honor to be, with great respect, your obedient servant,
J. C. DOBBIN.

To the President of the United States.