Principia the new charges against us. It calls us "Satanic." Ah, no! Satan was the first abolitionist, and freed Adam and Eve from the "bondage of God;" and so the epithet "Satanic" belongs to the abolitionists alone. It charges us with sympathizing with the rebels, and disproves the charge by saying that we have been, and are sometimes, "at intervals," in favor of abolition—the one statement being as true as the other, and both being lies. It says we are acting for rebel benefit, a war with England. Will it bring the same charge against the President, who reiterates in his Message our views upon the subject, as we have often expressed them? Either the HERALD is loyal or the President is a secessionist, and the *Principia* may choose its own horn of the dilemma. It says that we pronounced universal abolition the strongest weapon of the government; but it forgets to add that we said that, if this weapon were used, it would destroy not only the rebels, but the country, as Samson killed the Philistines and himself by pulling down the pillars of the temple. It concludes by stating that we are in favor of the halter or the prison for abolitionists and rebels alike; and there it says truly, and we gladly plead guilty to the charge. Yes, Mr. Goodell, we hold that you should join your co-disunionists in Fort Lafayette; and, if our "talent of prophecy" has not deserted us, you shortly will, if you do not change your course. You and "Cobbett" are a very pretty pair of radicals, and ought to discuss your opinions of the HERALD in the same cell. Such wonderful coincidences of opinion deserve coincidences also of confinement and hanging.

ANOTHER STONE FLEET—OPERATIONS AGAINST CHARLESTON HARBOR.—We publish this morning a map of the approaches to Charleston harbor, which are about to be blocked up by vessels sunk across its channels and inlets, in the same manner as the Ocracoke entrance to Albemarle Sound has been dealt with. For this purpose a fleet of old whaling vessels will leave New London in a few days, carrying upwards of six thousand tons of stone. They will be sunk, with their cargoes, in the ship channel between Morris and Sullivan islands, and in the Breach and Stono inlets. This will be a quicker and more inexpensive way of shutting up the harbor than by keeping a number of war vessels before it as a blockading force, whose vigilance the privateers could easily elude. It is, besides, the most stinging punishment that can be dealt out to that pestilent little city, which was the first to raise the standard of rebellion, in the vain hope that its disloyal zeal would entitle it to become at once the capital and the great commercial emporium of the new confederacy. Instead of the brilliant future which it pictured to itself, it will find its harbor approaches bunged up like the veriest ratholes, so that not even a lighter can get through them to discharge the cargoes sent it by its sympathizers.

When it was announced that the operations of the great naval expedition were to be directed against Port Royal and Savannah, considerable disappointment was expressed that Charleston was not to come in for the first share of its attentions. It is better as it is. It would have given too much importance and gratification to the cocks of the little dunghill State. They will feel more keenly the fact of their city being wiped forever out of the list of commercial ports by a simple stroke of Secretary Welles' pen, and that without the chance of their firing a single shot in its defence.

Such will also be the fate of Savannah and one or two other Southern ports, which counted that in this rebellion they would find a certain means of aggrandizing themselves at the expense of the North. It now depends entirely on the will of Northern men which shall be the future maritime emporiums of the South. And, unless the rebels speedily lay down their arms, it is a question whether they will retain any property at all in their own ports. The capture of the latter by the federalists will be followed by a larger influx of Yankee settlers—a genus apt to stick wherever they swarm. Thus the chivalry will only have succeeded in transferring to their backs the blisters which their pride found so intolerable at the extremities. Alas for the vanity of human expectations.

THE MISSISSIPPI EXPEDITION AND THE DIFFICULTIES IT WILL HAVE TO ENCOUNTER.—The idea of a great land and water expedition down the Mississippi river originated with General Scott, and was one of his leading projects for subduing the rebellion. At first preparations to carry it out were made in secret, and it was contemplated, as it was certainly desirable, to maintain that degree of secresy which would tend to make its success more certain. One of the abolition papers of this city, however, actuated more by a selfish feeling than by any regard for the national cause, published whatever facts had come to its knowledge on the subject, and the consequence was, as communication between the Northern and Southern States was hardly interrupted at the time, that the rebels were put in possession of important information, and immediately set to work to interpose obstacles to the expedition. The fortifications that have since been erected on every available bluff, from Memphis, Tenn., to Columbus, Ky.—a distance of some three hundred miles—testify to their energy and resources, and prove their determination to contest with us the pathway to the mouths of the Mississippi. The extent, locality and armament of these fortifications thus raised by the rebels are described in an article and a series of maps which we publish to-day, furnished to us by an observant and intelligent correspondent who has recently been over the whole ground and made notes of important points.

The preparations for the expedition are being pressed forward at St. Louis and Cairo. Gen. Fremont is known to have devoted his almost exclusive attention to it, and now Gen. Halleck is continuing the work relating to the army, while Commodore Foote is overseeing the construction and armament of the gunboats and transport vessels. The exact strength of the land and river forces is as yet unknown; but it will be commensurate with the magnitude of the undertaking and with the serious character of the obstacles to be encountered. So far as we could be of service in pointing out where and what these obstacles are, we have performed our duty in the premises. Our description of the fortifications, armament and rebel forces may be relied upon as generally accurate, and we hope that the information which we thus furnish will prove of great utility to the commanders of the expedition. The period for starting upon it has not yet publicly transpired; but we presume that Secretary Seward may not be far astray this time when he says that in ten days we shall have joyful news. Whether that news may be a grand and successful movement of our army on the Potomac, or the sweeping away of all the rebel obstacles to our progress on the Mississippi, and the occupation by our forces of the rebel city of Memphis, the country will have equal cause for rejoicing. If either of these movements be what Secretary Seward hints at, we trust he will prove to be, for once at least, a true prophet.

THE PRESIDENT'S MESSAGE AND THE TELEGRAPH.—The rapidity with which the Message of the President—six columns in length—was transmitted from Washington yesterday is truly wonderful. It was sent over the wires in one hour and thirty-two minutes. Before the American Telegraph Company completed the improvements which they have introduced into the system which they control it took four or five hours to send on the same body of matter here. But it is not merely in point of rapidity, but of accuracy, that the company have improved upon the old method. Formerly, on an occasion of this kind, when great speed was imperative, the matter transmitted was so full of errors that it took much time to correct it and place it accurately before the public. Now the Message is delivered here almost as rapidly as it can be printed, and but very little correcting is required. For all this we are indebted to the admirable organization and valuable improvements in instruments effected by the American Telegraph Company. The large capital which they have invested in the perfecting of their system has enabled them to accomplish wonders in a short space of time.

SOUTHERN SHINPLASTERS.—Notwithstanding all the interdictions of communication between North and South, we have already seen between fifteen and twenty shinplasters of different denominations, issued for small sums, in various States of the rebel confederacy. We may therefore infer that they are exceedingly abundant down South, and that the statement is true that they are issued by nearly every corporation, bank, railway, hotel, barroom, eating house and store in Secessiondom, and in numbers that even exceed those of the worst days of 1837, when they were to be found in nearly every man's pocket. It used to be the boast of the so-called chivalry that pennies were altogether too insignificant for them to touch; but we have heard on good authority that shinplasters for one and two cents are now current among them.

We give below a copy of a twenty cent shinplaster which we have received from Port Royal. It is issued by the Bank of South Carolina, and printed on a fragment of an old twenty dollar bill of the Commercial Bank of Macon, Georgia. From the size it is evident that one of the original bills serves to make three shinplasters; and this affords a good instance of the shifts to which the chivalry are driven for paper:—

1st JULY, 20 CENTS 1861.
The Bank of the State of South Carolina will pay Bearer, on demand,
TWENTY CENTS.
J. L. CLUSH, For President.

With such a monetary basis of operations, it is not difficult to calculate how soon the confederacy under Jeff. Davis must cave in, financially as well as politically; for what is war without the sinews, and what is paper without capital? The end is not far off.

THE NAVY.

ARRIVAL OF THE STEAMER JAMES ADGER AT BALTIMORE.

BALTIMORE, Dec. 3, 1861.

The steamer James Adger, from Southampton via Fayal Azores, has arrived here. We understand that one of her officers passed through this evening *en route* to Washington.

ARRIVAL OF THE FLAGSHIP HARTFORD, OF THE AFRICAN SQUADRON, AT PHILADELPHIA.

PHILADELPHIA, Dec. 3, 1861.

The steamer Hartford, the flagship of the African squadron, has arrived below, from the Cape of Good Hope. The captain's clerk, Hall, of Baltimore, died during the passage home, and two sailors were lost overboard. All on board well.

News from San Francisco.

SAILING OF THE ST. LOUIS WITH TREASURE AND TROOPS FOR NEW YORK—SHIPPING INTELLIGENCE, ETC.

SAN FRANCISCO, Nov. 30, 1861.

Arrived, bark Betty Pritback, London.

Sailed, the steamer St. Louis, for Panama, with $98,400 (evidently an error) in treasure and forty passengers, including Senator Stark, of Oregon, several army officers and about 2,000 newly made soldiers.

The following ships have sailed recently:—Avon, Sidney; G. B. Palmer, Singapore, the whaler John Howland.

The Telegraph and the Message.

The Message of President Lincoln was telegraphed to all parts of the loyal States yesterday. The Message contains seven thousand five hundred and seventy-eight words, and was all received in this city in one hour and thirty-two minutes, a feat of telegraphing unparalleled in the Old or New World. Mr. Sanford, the President of the American Telegraph Company, and his able superintendents and subordinate operators, are entitled to the highest credit for thus accomplishing such a stupendous work in such a short space of time. The Message was manifolded by the Associated Press agency in this city and placed in the hands of the printers of the various newspapers in less than two hours from the commencement of its transmission.

WINTER GARDEN.—Mr. and Mrs. Barney Williams are playing this week in the comedietta of "Latest from New York," and the former alone in his favorite character of the Irish soldier, Phelim O'Donnell. In the last character ample scope is afforded for the display of his mirth-provoking qualities, while the combined efforts of both husband and wife in the first named piece prove a source of unbounded amusement, and perfectly convulse the house. A new burletta, entitled "Secesh," was produced on Monday night, with Mrs. Barney Williams in the principal character. It met with indifferent success, and was only saved from utter failure by the excellent acting of Mrs. Williams.

Personal Intelligence.

Captain Wilkes and wife were waited on yesterday by several of our most prominent citizens. Commodore Stringham and a large number of naval and military officers also called at the Brevoort House during the day, to pay their respects to the gallant Captain and his amiable wife.

Major General Fremont received visitors up to twelve o'clock yesterday, at the Astor House. After that hour he was out, attending to some private business, accompanied by Mrs. Fremont.

Ex Senator Gwinn, Calhoun Benham and J. D. Brent, the gentleman who recently occupied apartments in Fort Lafayette, are now stopping at the New York Hotel.

Hon. T. B. Lawrence, T. L. Motley, W. H. Robeson, of Boston; Professor Mather, of Amherst; Dr. Turner, of Binghamton, and J. N. Lewis and Edward Ogden, of Newport, are stopping at the Brevoort House.

Dr. Johnson, of the United States Navy; B. Lynes and family and G. W. Day and family, of New York; D. C. Wilcox and James D. Fary, of Connecticut; M. K. Cady, of New London, and G. Benjamin, of England, are stopping at the Lafarge House.

J. F. Huntington, of Hartford; S. W. Bowles, of Boston; T. W. E. Bolton and R. T. Arnold, of New York, are stopping at the Gramercy Park Hotel.

Captain Messenger and S. M. Bowman, of the United States Army; S. W. Hart, of Missouri; A. W. Montgomery, of Canada; G. Gordon, of Newburg; Lieutenant Curtis, of Boston; W. Newcomb and wife, of Louisville; J. J. Chapman, of England, and A. Dall, of Baltimore, are stopping at the Fifth Avenue Hotel.

Lieutenant T. Abbott, United States Navy; L. C. Inskip, of Hartford; Judge Grover and wife, of Angelica, N. Y.; H. Sanford, of Bridgeport, Conn.; E. Cook, of Iowa; Russell Sage and Wm. Mason, of Massachusetts, and H. P. Coon, of California, are stopping at the St. Nicholas Hotel.

OUR NEW ARMY.

Secretary Cameron's Report to the President.

Six Hundred and Fifty Thousand Men in the Field.

WAR DEPARTMENT, Dec. 1, 1861.

SIR,—I have the honor to submit the annual report of this department.

The accompanying reports of the chiefs of the several bureaus present the estimates of the appropriations required for the service of this department during the fiscal year ending June 30, 1863, and also the appropriations necessary to cover deficiencies in the estimates for 1861-62.

The following statement presents the entire estimated strength of the army, both volunteers and regulars:—

States.	*Volunteers.* *Three Months.*	*For the War.*	*Aggregate.*
California	—	4,688	4,688
Connecticut	2,236	12,400	14,636
Delaware	775	2,000	2,775
Illinois	4,941	80,000	84,941
Indiana	4,686	57,332	62,018
Iowa	968	19,800	20,768
Kentucky	—	15,000	15,000
Maine	768	14,239	15,007
Maryland	—	7,000	7,000
Massachusetts	3,435	26,760	30,195
Michigan	781	28,550	29,331
Minnesota	—	4,100	4,100
Missouri	9,356	22,130	31,486
New Hampshire	779	9,600	10,379
New Jersey	3,068	9,342	12,410
New York	10,188	100,200	110,388
Ohio	10,236	81,205	91,441
Pennsylvania	19,199	94,160	113,359
Rhode Island	1,285	5,898	7,183
Vermont	780	8,000	8,780
Virginia	779	12,000	12,779
Wisconsin	792	14,153	14,945
Kansas	—	5,000	5,000
Colorado	—	1,000	1,000
Nebraska	—	2,500	2,500
Nevada	—	1,000	1,000
New Mexico	—	1,000	1,000
District of Columbia	2,823	1,000	3,823
Total	77,875	640,637	718,512
Estimated strength of the regular army, including the new enlistments under the act of Congress of July 29, 1861	—	20,334	—
Total	—	660,971	—

The several arms of the service are estimated as follows:—

	Volunteers.	*Regulars.*	*Aggregate.*
Infantry	557,208	11,175	568,383
Cavalry	54,654	4,744	59,398
Artillery	20,380	4,308	24,688
Rifles and Sharpshooters	8,295	—	8,295
Engineers	—	107	107
Total	640,637	20,334	660,971

The appropriations asked for the service of the next fiscal year are computed for a force of 500,000 men. They have been reduced to the lowest possible amount consistent with the public interests, and are based upon a strictly economical administration of the various branches of this department.

The appropriations to cover deficiencies are rendered necessary by the excess of the force in the field over that upon which the estimates were founded, and by extraordinary expenditures connected with the employment and discharge of the three months' contingent.

An item of very heavy expense is the large mounted force which has been organized, equipped and made available since the called session of Congress, and which was not computed for in the estimate. While an increase of cavalry was undoubtedly necessary, it has reached a numerical strength more than adequate to the wants of the service. As it can only be maintained at a great cost measures will be taken for its gradual reduction.

In organizing our great army, I was effectively aided by the loyal Governors of the different States, and I cheerfully acknowledge the prompt patriotism with which they responded to the call of this department.

Congress, during its extra session, authorized the army to be increased by the acceptance of a volunteer force of 500,000 men, and made an appropriation of five hundred millions of dollars for its support. A call for the troops was immediately made; but so numerous were the offers that it was found difficult to discriminate in the choice, where the patriotism of the people demanded that there should be no restrictions upon enlistments. Every portion of the loyal States desired to swell the army, and every community was anxious that it should be represented in a cause that appealed to the noblest impulses of our people.

So thoroughly aroused was the national heart that I have no doubt this force would have been swollen to a million had not the department felt compelled to restrict it, in the absence of authority from the representatives of the people to increase the limited number. It will be for Congress to decide whether the army shall be further augmented, with a view to a more speedy termination of the war, or whether it shall be confined to the strength already fixed by law. In the latter case, with the object of reducing the volunteer force to 500,000, I propose, with the consent of Congress, to consolidate such of the regiments as may from time to time fall below the regulation standard. The adoption of this measure will decrease the number of officers, and proportionably diminish the expenses of the army.

It is said of Napoleon by Jomini that, in the campaign of 1815, that great general on the 1st of April had a regular army of 200,000 men. On the 1st of June he had increased this force to 414,000 men. The like proportion, adds Jomini, "had he thought proper to inaugurate a vast system of defence, would have raised it to 700,000 men by the 1st of September." At the commencement of this rebellion, inaugurated by the attack upon Fort Sumter, the entire military force at the disposal of this government was 16,606 regulars, principally employed in the West to hold in check marauding Indians. In April 75,000 volunteers were called upon to enlist for three months' service, and responded with such alacrity that 75,875 were immediately obtained. Under the authority of the act of Congress of July 22, 1861, the states were asked to furnish 500,000 volunteers to serve for three years, or during the war; and by the act approved the 29th of the same month, the addition of 25,000 men to the regular army of the United States was authorized. The result is that we have now an army of upwards of 600,000 men. If we add to this the number of the discharged three months volunteers, the aggregate force furnished to the government since April last exceeds 700,000 men.

We have here an evidence of the wonderful strength of our institutions. Without conscriptions, levies, drafts or other extraordinary expedients, we have raised a greater force than that which, gathered by Napoleon with the aid of all those appliances, was considered an evidence of his wonderful genius and energy and of the military spirit of the French nation. Here every man has an interest in the government, and rushes to its defence when dangers beset it.

By reference to the records of the Revolution it will be seen that Massachusetts, with a population of 350,000, had at one time 50,000 troops in the field, or one-seventh of her entire people—a force greatly exceeding the whole number of troops furnished by all the Southern States during that war. *Should the present loyal States furnish troops in the proportion—which unquestionably would be the case should the emergency demand it—the government could promptly put into the field an army of over three millions.*

It gives me great satisfaction to refer to the creditable degree of discipline of our troops, most of whom were, but a short time since, engaged in the pursuits of peace. They are rapidly attaining an efficiency which cannot fail to bring success to our arms. Officers and men alike evince an earnest desire to accomplish themselves in every duty of the camp and field, and the various corps are animated by an emulation to excel each other in soldierly qualities.

The conspiracy against the government extended over an area of 733,144 square miles, possessing a coast line of 3,625 miles, and a shore line of 25,414 miles, with an interior boundary line of 7,021 miles in length. This conspiracy stripped us of arms and munitions, and scattered our navy to the most distant quarters of the globe. The effort to restore the Union, which the government entered on in April last, was the most gigantic endeavor in the history of civil war. The interval of seven months has been spent in preparation.

The history of this rebellion, in common with all others, for obvious causes, records the first successes in favor of the insurgents. The disaster of Bull run was but the natural consequence of the premature advance of our brave but undisciplined troops, which the impatience of the country demanded. The betrayal also of our movements by traitors in our midst enabled the rebels to choose and intrench their position, and by a reinforcement in great strength, at the moment of victory, to snatch it from our grasp. This reverse, however, gave to discouragement to our gallant people, they have crowded into our ranks, and although large numbers have been necessarily rejected, a mighty army, an invincible array, stands eager to precipitate itself upon the foe. The check that we have received upon the Potomac has, therefore, but postponed the campaign for a few months. The other successes of the rebels, though dearly won, were mere affairs, with no important or permanent advantages. The possession of Western Virginia and the occupation of Hatteras and Beaufort have nobly redeemed our transient reverses.

At the date of my last report the States of Delaware, Maryland, Kentucky and Missouri were threatened with rebellion. In Delaware the good sense and patriotism of the people have triumphed over the unholy schemes of traitors. The people of Kentucky early pronounced themselves, by an unequivocal declaration at the ballot box, in favor of the Union; and Maryland, notwithstanding the efforts of bad men in power in the city of Baltimore, when the opportunity of a general election was afforded, under the lead of her brave and patriotic Governor, rebuked by an overwhelming majority the traitors who would have led her to destruction. In Missouri a loyal State government has been established by the people, thousands of whom have rallied to the support of the federal authority, and, in conjunction with troops from other portions of the country, have forced the rebels to retire into the adjoining State. The government established in Virginia by the loyal portion of her population is in successful operation, and I have no doubt will be sustained by the people of the entire State when ever the thraldom of the rebel forces shall have been removed.

Thus has it been made clearly apparent that in whatever direction the forces of the Union have extended their protection the repressed loyalty of the people, irresistibly manifesting itself, has added to restore and maintain the authority of the government; and *I doubt not the army now expanded on the banks of the Potomac will, under the able leader, soon make such a demonstration as will reestablish the authority throughout all the rebellious States.*

The loyal Governor of Virginia is proceeding to organize courts under the constitution and laws of the State in all her eastern counties in the occupation of our troops. *I respectfully suggest that opportunity should be given to the President to send commissioners with the army, with power to exercise all the functions of government wherever the civil authority has ceased to exist, and especially to enforce the obligations of contracts, and the collection of debts due to loyal creditors.*

As stated in my last report, at the commencement of this rebellion the government found itself deficient in arms and munitions of war, through the bad faith of those intrusted with their control during the preceding administration. The armory at Harper's Ferry having been destroyed to prevent its possession and use by the rebels, the government was compelled to rely upon the single armory at Springfield, and upon private establishments, for a supply of arms. Every effort has been made to increase the capacity of that armory, the greatest product of which, prior to these troubles, had never exceeded 800 muskets per month. In charge of an energetic and able ordnance officer, the force being doubled, and operations vigorously prosecuted day and night, there were made at this establishment, during the last month of October, a total of 6,900 muskets, and it is confidently expected that 10,000 will be manufactured during the present month. On a recent visit, with a view to enlarge the capacity of the armory, I directed the purchase of a large quantity of machinery already finished, which, when put in operation, will enable this establishment to produce, during the next year, 200,000 stand of the justly celebrated Springfield rifles. I respectfully suggest the recommendation of a liberal appropriation by Congress for the purpose of yet further increasing the capacity of this armory, believing that it can be made sufficient to supply all the muskets and rifles which the government may hereafter need in any contingency. Located in a healthful country, in the midst of an industrious and ingenious people, where competent workmen can always be obtained without difficulty, and sufficiently near to all the materials needed in the manufacture of arms, it is at the same time accessible to every part of the country by water and railway communication.

After having made contracts for arms with the private establishments in this country, it was deemed necessary by the President, to insure a speedy and ample supply, to send a special agent to Europe, with funds to the amount of two millions of dollars, to purchase more. I am gratified to state that he has made arrangements for a large number of arms, part of which have already been delivered. The remainder will be shipped by successive steamers until all shall have been received.

Combinations among manufacturers, importers and agents, for the sale of arms, have, in many cases, caused an undue increase in prices. *To prevent advantage being thus taken of the necessities of the government, Collectors of Customs have been directed to deliver to the agents of the United States all arms and munitions that may be imported into the country.*

The demand for arms has called into existence numerous establishments for their manufacture throughout the loyal portion of the country, and it has been the policy of this department to encourage the development of the capital, enterprise and skill of our people in this direction. The government should never have less than a million of muskets in its arsenals, with a corresponding proportion of arms and equipment for artillery and cavalry. Otherwise, it may, at a most critical moment, find itself deficient in the means wherewith to arm the brave men willing to rush to its defence. Under the system now adopted, the manufacture of these arms will be greatly increased, and the country be rendered independent of foreign nations for a supply of the best arms of war.

I recommend that application be made to Congress for authority to establish a national foundry for the manufacture of heavy artillery at such point as may afford the greatest facilities for the purpose. While a sufficient number of cannon, perhaps, could be procured from private manufactories, the possession of a national establishment would lead to experiments which would be useful to the country, and prevent imposition in prices by the accurate knowledge that would be acquired of the real value of work of this character.

In my last report I called attention to the fact that legislation was necessary for the reorganization, upon a uniform basis, of the militia of the country. Some general plan should be provided by Congress, in aid of the States, by which our militia can be organized, armed and disciplined, and made effective at any moment for immediate service. If thoroughly trained in time of peace, when occasion demands, it may be converted into a vast army, confident in its discipline and unconquerable in its patriotism. In the absence of any general system of organization, upwards of 700,000 men have already been brought into the field, and, in view of the alacrity and enthusiasm that have been displayed, I do not hesitate to express the belief that no combination of events can arise in which this country will not be able not only to protect itself, but, contrary to its policy, which is peace with all the world, to enter upon aggressive operations against any Power that may intermeddle with our domestic affairs. A commission should be appointed by Congress, with authority to sit during the recess, to devise and report a plan for the general organization of the militia of the United States.

It is of great importance that immediate attention should be given to the condition of our fortifications upon the seaboard and the lakes, and upon our exposed frontiers. They should at once be placed in perfect condition for successful defence. *Aggressions are seldom made upon a nation ever ready to defend its honor and to repel insults; and we should show to the world that while engaged in quelling disturbances at home we are able to protect ourselves against attacks from abroad.*

I earnestly recommend that immediate provision be made for increasing the corps of cadets to the greatest capacity of the military academy. There are now only 192 cadets at that important institution. I am assured by the superintendent that 400 can at present be accommodated, and that, with very trifling additional expense, this number may be increased to five hundred. It is not necessary, at this late day, to speak of the value of educated soldiers. While, in the time of war and rebellion, we must ever depend mainly upon our militia and volunteers, we shall always find a roughly trained officers. Two classes having been graduated during the present year, in order that the service might have the benefit of their military education, I had hoped that Congress, at its extra session, would authorize an increase of the number. Having failed to do so, I trust that at the approaching session an increase will be authorized, and that the selection of cadets will be limited exclusively to those States which, co-operating cordially with the government, have brought their forces into the field to aid in the maintenance of its authority.

In this connection justice requires that I should call attention to the claims of a veteran officer, to whom, more than to any other, the Military Academy is indebted for its present prosperous and efficient condition. I allude to Colonel Sylvanus Thayer, of the Engineer corps, who now, by reason of advanced years and faithful public services, is incapacitated for duty in the field. Under the recent law of Congress he may justly claim to be retired from active service; but, believing that his distinguished services should receive some mark of acknowledgement from the government, I recommend that authority be asked to retire him upon his full pay and emoluments.

The health of an army is a consideration of the highest consequence. Good men and women in different states, impelled by the highest motives of benevolence and patriotism, have come in aid of the constituted sanitary arrangements of the government, and been greatly instrumental in diminishing disease in the camps, giving increased comfort and happiness to the life of the soldier, and imparting to our hospital service a more humane and generous character. Salubrity of situation and pleasantness of surroundings have dictated the choice of the hospital sites, and establishments for our sick and wounded, of which we have every reason to be proud, have been opened in St. Louis, Washington, Georgetown, Baltimore and Annapolis, and will be attached to every division of the army in the field. To the close of the war vigilant care should be given to the health of the well soldier, and to the comfort and recovery of the sick.

I recommend that the system of promotions which elevate to the regular service be applied to the volunteer forces in the respective States; reserving, however, the promotions to men actually in the field. At present each Governor appoints and appoints the officers for the troops furnished by his State, and complaint is not unfrequently made, that when promotions occur in the field, men of inferior qualifications are placed in command over those in the ranks who possess superiors in military experience and capacity. *The advancement of merit should be the leading principle in all promotions, and the volunteer soldier should be given to understand that preferment will be the sure reward of intelligent, faithful and distinguished service.*

The course above recommended has been pursued by this department, and it is my intention, so far as it is in my power, to continue a system which cannot fail to have a most beneficial effect upon the entire service.

By existing laws and regulations no officer of the regular army ranks an officer of volunteers of the same grade, notwithstanding the commission of the latter may be of antecedent date. In my judgment this practice has a tendency to repress the ardor and to limit the opportunity for distinction of volunteer officers, and a change should be made by which seniority of commission should confer the right of command.

I submit for reflection the question whether the distinction between regulars and volunteers which now exists, should be permitted to continue. *The efficiency of the army, it appears to me, might be greatly increased by a consolidation of the two during the continuance of the war, which, combining their forces, would consolidate them into one grand army of the Union.*

Recruiting for the regular army has not been attended with that success which was anticipated, although a large number of men have entered the branch of the service. While it is admitted that soldiers in the regular army, under the control of officers of military education and experience, are generally better cared for than those in the volunteer service, it is certain that the popular preference is largely given to the latter. Young men evidently prefer to enter a corps officered by their friends and acquaintances; and, besides the bounty granted to volunteers in most of the States, inducements are often directly offered to them by those whose commissions depend upon their success in obtaining recruits. In addition, the volunteer is allowed to draw his full pay of $13 per month, while by law $2 per month are deducted from the pay of the regular, to be returned to him at the end of his term of service. In my judgment this law should be repealed, and the regular soldier be allowed to receive his full pay when due. He should also receive either a reasonable bounty upon enlisting, or an advance of $20 of the $100 which a law of the last session of Congress grants to regulars and volunteers on the expiration of their periods of service. This would double a considerable enlistments, as it would enable the soldier to make some provision for those dependant upon him for support until he receives his pay.

By the act approved August 5, 1861, the President is authorized to appoint as many aids to Major Generals of the regular army, acting in the field, as he may deem proper. The number of aids, in my opinion, should be limited, and no more should be allowed to each Major General than can be advantageously employed upon his own proper staff. Much expense would thus be saved, and the Executive and this department would be relieved of a application a very embarrassing from their nature and extent.

The fifth section of the act approved September 28, 1850, makes the discharge of minors obligatory upon this department, upon proof that their enlistment was without the consent of their parents or guardians. In view of the injurious operation of this law, and of the facilities which it opens to frauds, I respectfully urge its early repeal. Applications for discharges of minors can then be determined either by this department, in accordance with such regulations as experience may have shown to be necessary, or by the civil tribunals of the country.

The employment of regimental bands should be limited to the proportion of musicians now allowed by law being too great, and their usefulness not at all commensurate with their heavy expense.

Corporations, like individuals, are liable to be governed by selfish motives in the absence of competition. An instance of this kind occurred in the management of the railroads between Baltimore and New York. The sum of $6 was charged upon that route for the transportation of each soldier from New York to Baltimore. As this rate seemed extravagant to the department, when considered in connection with the great increase of trade upon these roads, made necessary by the wants of the government, inquiry was made concerning the expenditure of using the roads from New York to Baltimore via Harrisburg. The result was an arrangement by which troops were brought by the last named route at $4 each; and, as a consequence, this rate was at once necessarily adopted by all the railroads in the loyal States, making a saving to the government of thirty-three and one third per cent in all its transportation of soldiers, and at the same time giving to the railroads, through increased business, a liberal compensation.

The railroad connection between Washington and Baltimore has been lately much improved by additional sidetracks, and by extensions in this city. In order, however, that abundant supplies may always be at the command of the department, arrangements should be made for laying a double track between this city and Annapolis Junction, with improved sidings and facilities at Annapolis and along the branch road.

Should the navigation of the Potomac river be interrupted by blockade, or the severities of winter, it would become absolutely necessary, for the proper supply of the troops in the District of Columbia and vicinity, and of the inhabitants of this city, to provide additional railroad connection between Washington and Baltimore. A responsible company, with a charter from the State of Maryland, have proposed to do this upon condition that the government will indorse their bonds; they binding themselves to set aside annually a sufficient sum for their redemption at maturity, and thus eventually release the government from any liability whatever, and to charge, for transportation, rates in no case to exceed four cents a ton per mile for freight, and three cents per mile for passengers. During the continuance of the war, however, their charge for passengers is not to exceed two cents per mile. The charge for the transportation of passengers between the two cities is at present 124 cents per mile, and for freight, the rates per ton will average from five to eight cents per mile. The large saving to the government in cost of transportation would amply compensate for all liability, and give to the citizens of all the loyal States greatly improved facilities for reaching the national capital, and at much less rates than they are now compelled to pay. To the citizens of the District it would cheapen the cost of supplies, and prove of immense value in every respect.

I recommend that a railway be constructed through this city from the Navy Yard, by the Capitol to Georgetown, forming connections with the existing railroad depots, and using the aqueduct bridge for the purpose of crossing the river at Georgetown. By a junction of this proposed railway with the Orange and Alexandria Railroad, not only would the communication with our troops in Virginia be greatly improved, but an easy access be obtained to the Baltimore and Ohio Railroad near Harper's Ferry, by means of the Loudon and Hampshire Railroad. To its importance as affording facilities for moving troops and supplies in time of war may be added the future benefits it would confer upon the District of Columbia. The outlay required would be saved in a few months by enabling the government to dispense with the expensive ferry at Georgetown, and by greatly decreasing the costly wagon transportation of the army through this city.

The injuries to railroads, instigated by the rebel authorities of Baltimore, in order to embarrass communication with the North and West via Harrisburg, and with the East via Philadelphia, have been repaired by the different companies that own them. That portion of the Baltimore and Ohio Railroad west of Harper's Ferry which was so ruthlessly destroyed by the rebels has not yet been restored. The great interests of trade require that this road should be reopened as speedily as possible by the company, for the transportation of the immense surplus of the agricultural productions of the West. To aid this object the department has tendered to the company a sufficient force for its protection during the progress of the work, and will render such facilities as it may be able to provide, in connection with its other important public duties.

For the purpose of facilitating the transportation of supplies to Alexandria and to points beyond, it has been found necessary to rebuild portions of the Orange and Alexandria and the Loudon and Hampshire railroads, and to lay a track from the railroad depot to a point on the Potomac river in this city.

Under an appropriation granted for that purpose at the last session of Congress, a telegraphic Bureau was established, and has been found of the greatest service in our military operations. Eight hundred and fifty-seven miles of telegraphic line have been already built and put in operation, with an efficient corps of operators, and a large extension is now in process of construction.

Congress, at its late session, made an appropriation for the reconstruction of the Long Bridge across the Potomac, which, in its then dilapidated condition, was unsafe for military purposes. The work, which has been carried on without interruption to trade or travel, is rapidly approaching completion, and, when finished, will be a substantial structure.

On the first of the present month Lieutenant General Winfield Scott voluntarily relinquished his high command as General-in-Chief of the American army. He had faithfully and gallantly served his country for upwards of half a century, and the glory of his achievements has given additional lustre to the brightest pages of our national annals. The affections of a grateful people followed him into his retirement. The President immediately conferred the command of the army upon the officer next in rank. Fortunately for the country, Major General McClellan had proved himself equal to every situation in which his great talents had been called into exercise. His brilliant achievements in Western Virginia, the untiring energy and consummate ability he has displayed in the organization and discipline of an entirely new army, have justly won for him the confidence and applause of the troops and of the nation.

Extraordinary labor, energy and talent have been required of the various bureaus of this department to provide for the wants of our immense army. While errors may have been occasionally committed by subordinates, and while exorbitant prices have undoubtedly in some cases, contrary to my wishes and the pressure of rapid events, been paid for supplies, it is with great gratification that I refer to the economical administration of affairs displayed in the various branches of the service. Our forces had not only to be armed, clothed and fed, but had to be suddenly provided with means of transportation to an extent heretofore unparalleled. While I believe that there is no army in the world better provided for in every respect than our regulars and volunteers, I candidly think that no force so large and so well equipped was ever put in the field in so short a space of time at so small an expense.

While it is my intention to preserve the strictest economy and accountability, *I think the last dollar should be expended and the last man should be armed to bring this unholy rebellion to a speedy and permanent close.*

The geographical position of the metropolis of the nation, menaced by the rebels, and required to be defended by thousands of our troops, induces me to suggest for consideration the propriety and expediency of a readjustment of the boundaries of the States of Delaware, Maryland and Virginia. Wisdom and true statesmanship would dictate that the seat of the national government, for all time to come, should be placed beyond reasonable danger of seizure by enemies within, as well as from capture by foes from without. By agreement between the States named, such as was efficient, for similar purposes, by Michigan and Ohio, and by Ohio and Iowa, their boundaries could be so changed as to render the capital more remote than at present from the influence of State governments which have arrayed themselves in rebellion against the federal authority. To this end, the limits of Virginia might be so altered as to make her bounds include the east of the Blue Ridge on the east and Pennsylvania on the north, leaving the east on the south and west as at present. By this arrangement two counties of Maryland (Allegany and Washington) would be transferred to the jurisdiction of Virginia. All that portion of Virginia which lies between the Blue Ridge and Chesapeake bay could then be added to Maryland, while that portion of the peninsula between the waters of the Chesapeake and the Atlantic, now jointly held by Maryland and Virginia, could be incorporated into the State of Delaware. A reference to the map will show that these are great natural boundaries, which, for all time to come, would serve to mark the limits of these States.

To make the protection of the Capitol complete, in consideration of the large accession of territory which Maryland would receive under the arrangement proposed, *it would be necessary for the State to add enough to her territory to justify her representation in Congress by a fresh apportionment of the basis of her representation to her whole population.*

In this connection, it would be the part of wisdom to restore to the District of Columbia that portion of its original limits which by act of Congress was retroceded to the State of Virginia.

It is already a grave question what shall be done with those slaves who are abandoned by their owners on the advance of our troops into Southern territory, as at Beaufort District, in South Carolina. The number left within our control at that point is very considerable, and similar cases will probably occur. What shall be done with them? Can we allow to send them forward to their masters, to be by them used against us, or used in forcing supplies to maintain the rebellion? Their labor may be used to our advantage, and withholding them has no tendency to undermine the horrors of insurrection, even in the most remote localities. They constitute a military resource, and, being such, if at they should not be turned over to the enemy is too plain to discuss. Why deprive them of supplies by a blockade and voluntarily give him men to produce supplies? The disposition to be made of the slaves of rebels after the close of the war can be safely left to the wisdom and justice of Congress. The representatives of the people will, unquestionably, secure to the loyal slaveholders every right to which they are entitled under the constitution of the country.

SIMON CAMERON, Secretary of War.

To the President.

THE NINTH NEW JERSEY REGIMENT FOR THE SEAT OF WAR.

TRENTON, N. J., Dec. 3, 1861.

The Ninth regiment of New Jersey Volunteers leave for the seat of war to-morrow, with 1,150 men, eighty horses, twenty-five wagons and five ambulances, completely furnished in every part.