THE NATIONAL REPUBLICAN

PUBLISHED DAILY.

RATES OF ADVERTISING.

One square, three days ..... $2 00
One week, four days ..... 3 00
One square, one month ..... 7 00
One square, three months ..... 20 00
Every other day advertisement, one year, half price.
Quarter square, one month, $5 per week, additional.
Editorial notices $2 00 per line, each insertion.
Local notices 10 cents per line, each insertion.
Advertisements under the heading of Wants, For Sale, For Rent, Lost and Found, one insertion, ten cents per line; subsequent insertions half price.
Six lines or less constitute a square.
Advertisements should be handed in before nine o'clock p. m.

# The National Republican.

VOL. VII. WASHINGTON CITY, D. C., THURSDAY MORNING, DECEMBER 6, 1866. NO. 8.

The Public Laws of the United States, as Revised and Corrected, are Officially Published in this Journal by Authority.

THE NATIONAL REPUBLICAN

PUBLISHED DAILY.

THE NATIONAL REPUBLICAN

Is published every morning (Sundays excepted) by W. J. McGeagh & Co., No. 411 Ninth street, and is furnished to subscribers (by carriers) at 75 cents per month.

Mail subscribers, $6.00 per annum; $4.00 for six months; and $2.00 for three months, invariably in advance. Five copies one year, $25.00. Single copies, 5 cents.

THE WEEKLY NATIONAL REPUBLICAN

is published every Friday morning: One copy one year $2.00; Three copies one year, $5.00; Ten copies one year, $16.00.

## Report of the Secretary of the Navy.

NAVY DEPARTMENT, December 3, 1866.

SIR: I have the honor to present the annual report of the condition and operations of this Department and of the navy during the year. The reduction of the naval force at home and the establishment and establishment of the squadrons abroad, with the repairing and putting in efficient condition the vessels and machinery which had become more or less defective by long and continued hard usage, have continued to be objects of paramount importance in the administration of naval affairs since my last annual report.

When the war terminated, which had developed the energies and the resources of the country, and so stimulated the activity and inventive powers of our countrymen as to have given extraordinary efficiency to the navy, this Department became relieved of some of the labor and much of the responsibility which for four years had commanded its unremitting attention. But to reduce the immense armament which the exigencies of the period and the power of the Government had called into extension, to dismantle the blockading squadrons, to discharge the large number of officers and seamen and private vessels which had been paid for war purposes, to discharge and retire the volunteers from service, to suspend the work which had been commenced for increasing the navy, to contract within proper limits our naval force, which during the war had assumed a magnitude that gave us furthest rank among naval powers, while yet placing our navy upon a substantial but economical peace establishment, involved no inconsiderable amount of labor and responsibility, as well as of judgment and discrimination.

While these adaptations from the war standard have continued to occupy the attention and the efforts of this Department during the year, it has also been vigilant to organize and have established efficient squadrons abroad, and, for the protection of American interests and the assertion of American rights, to have one or more of our vessels visit every important point where our commerce has penetrated.

Not until after the fall of Fort Fisher did this Department spare any labor or effort to strengthen and increase our naval power; but down to that period it was pressing forward with the same energy and determination in the construction of additional vessels and machinery, and in procuring additional ordnance supplies and munitions, as during any period of the war.

The possession of the Mississippi river and its tributaries had justified the diminution of the naval force which was made on our internal waters at an earlier period, although an efficient and well-organized squadron continued to patrol those rivers until the rebellion was wholly suppressed.

At the close of the war the Government had at its command an immense navy, composed partly of vessels built for fighting purposes, and partly of vessels which had been captured or were purchased from the commercial marine and armed for the service.

Contracts for new vessels which had been commenced, and for engines which are in the course of construction, must necessarily go forward to completion; but so far as has been practicable, all such work in the navy yards and elsewhere is suspended. At the earliest moment consistent with the public interest, most of the captured and purchased vessels were sold and returned to the merchant service, from which they had been originally procured. They thus, after having been used to suppress the rebellion, are contributing in a measure towards re-establishing commercial and social relations among the States which had been arrayed in conflict. Some naval built steamers, hastily constructed for war purposes, which there was no object in further retaining, have also from time to time, as opportunity presented, been put in the market and sold to advantage. In this manner and by these means our large navy has been reduced and brought within the limits of a proper peace establishment.

The naval stations which were established at various points on the Southern coast to promote the efficiency of the blockade, have been discontinued, and the supplies which were on hand when the blockade was raised and the squadrons were withdrawn have been sold or transferred elsewhere, as the public interest required. The reduction of these stations has been effected as economically and with as little waste as was possible.

Prudence required that a naval force should continue for a period to line our coast, in order to prevent any renewal of hostilities, or any further infraction of the laws. Happily no contingency has arisen calling for naval interposition, and it is a subject of congratulation that since the surrender of the armies and the termination of the blockade, tranquillity has pervaded the States which were in rebellion. The people lately in insurrection have peacefully submitted to the result of the war, accepted its legal consequences, acquiesced in the decision against secession, and acknowledged their allegiance to the Constitution and Government of the Union. Some discontent has been exhibited in consequence of the attempts to impose upon this portion of our countrymen, since their submission, terms which are regarded as in the nature of *ex post facto* laws, and to enforce on the States, as a condition precedent to their resumption of their rights under the Constitution, the adoption of an amendment to that instrument, in the preparation and presentment of which they had no voice or representation, and which, if incorporated into the organic law, is conceded as changing in essential respects the character of the Government. That they and others should object to and oppose such a measure is not surprising. So far as they are concerned it conflicts with the acknowledged truth that government derives its just powers from the consent of the governed, and it conflicts equally with the method prescribed by the Constitution for the initiation and submission to the States of all amendments to the fundamental law. Yet never, perhaps, in the annals of the world, have the inhabitants of such an extent of country, previously accustomed to self-government, so soon and so generally submitted to the results brought upon them by defeat. Intemperate language has been uttered by violent and inconsiderate partisans, but peaceable acquiescence has generally prevailed for the last eighteen months through the South. A domestic disturbance of a local character, having its origin in a controversy concerning the State Government, broke into a lamentable riot at New Orleans, which was speedily suppressed without assistance from the naval vessels which were in front of the city, and ready to render aid if required. There was not then, nor has there been in any quarter, resistance to the Federal authority; nor have there been any of the anticipated outbreaks such as in other countries have followed the disbanding of great armies, and which it was apprehended might require not only military but naval force to overcome. The rebellion being suppressed and the cause or pretext which led to its extinguishment, there has been no obstacle to the re-establishment of the Union and the restoration of fraternal relations, save the passions and resentments incident to a civil war. Gradually our home squadrons have been diminished and finally wholly withdrawn, excepting a force which has been and is maintained in the Gulf with reference as much to foreign as domestic affairs.

GENERAL EXHIBIT OF THE NAVY.

The total number of vessels in the navy at this time is 278, armed with 2,351 guns. Of these, there are in commission and on active duty 115 vessels, carrying 1,029 guns. The following general exhibit gives in detail a statement of the character and condition of the naval force:

| | Number. | Guns. |
|---|---|---|
| Vessels in squadron service | 69 | 664 |
| Vessels on special service | 9 | 83 |
| Vessels on service at home stations, including receiving ships, Naval Academy, navy yard duty, &c. | 37 | 282 |
| Total number of vessels in commission | 115 | 1,029 |
| Iron-clad vessels laid up | 54 | 147 |
| Iron-clad vessels not completed | 7 | 40 |
| Steam vessels not completed | 19 | 356 |
| Sailing vessels not completed (old line-of-battle ships) | 2 | — |
| Wooden vessels laid up, repairing, fitting for sea, and for sale | 81 | 779 |
| Total number of vessels and guns | 278 | 2,351 |

The total number of seamen in the naval and coast survey service is about 13,500 men.

[The portion of the report relating to the squadrons on foreign stations is deferred to a future issue.]

SPECIAL SERVICE.

Besides the vessels attached to the several squadrons a number are on special service. The Sabine, the apprentice ship of the navy; the Massachusetts, Memphis and Newbern, which are used in conveying supplies, mails, and officers and seamen to and from the squadrons on the coast; the Purveyor, which has recently returned from St. Paul de Loanda, where she landed a cargo of stores for the European and South Atlantic squadrons; the Don and Ascutney, used for towing and other service between the yards and stations; the Sacramento, on a special cruise and under special instructions to the coast of China and Japan, touching at various localities in the route for the purpose of her mission; and the Michigan, employed on the lakes.

The Sabine has her headquarters at New London, with her field for cruising extending from the coast of Maine to the Capes of the Delaware.

The Michigan, so soon as the ice permitted the resumption of navigation, early in May, was about proceeding on a cruise through the lakes, when disturbances on the frontier assumed such proportions as to require the co-operation of that vessel with the military and civil authorities to preserve in good faith the neutrality laws. The Michigan was engaged in this duty from early in May until June, delaying her annual cruise to the upper lakes. When the armed force which invaded Canada was defeated, the fugitives, driven from their positions by the force directed against them, were, about seven hundred of them, captured in their retreat by the Michigan on the 3d of June, in Niagara river, off Lower Black Rock. They were retained and provisioned on board the Michigan until the 5th, when they were turned over to the civil authorities. On the 15th of June Captain Bryson was notified by the military commander of the district that the co-operation of the Michigan was no longer required at that point, the difficulties on that portion of the frontier having terminated. Shortly afterwards the Michigan made a circuit of the upper lakes, visiting Cleveland, Detroit, Mackinaw, Green Bay, Milwaukie, Racine, Grand Haven, and returning to Erie and Buffalo.

The steam frigate Susquehanna, Commodore Jas. Alden, is on special service, having been ordered to convey our minister to the Mexican republic and Lieut. Gen. Sherman to Vera Cruz, or such point as might be required.

MONADNOCK AND MIANTONOMAH.

The turreted or monitor class of vessels was never designed by the department for cruising purposes, but for harbor defence and operations upon our coast. In the object for which they were intended, these vessels are as formidable and efficient as was anticipated, and will furnish security to any port, and be able to dispense or destroy any blockading fleet which may appear in our waters. The peculiar formation of our coast is in itself a protection against the heavy and formidable iron-clads of immense tonnage and deep draught which European constructors have devised, because, except at a few points, it will be difficult for them to approach within cannon-shot of our shores, and there is but a single port which they can enter from the Capes of the Chesapeake to the Rio Grande. But, while in the estimation of our best naval officers our monitor class of vessels are more than a match for the monstrous and expensive iron-clad structures of Europe, they are of such draught that they can enter all of our principal harbors, and are therefore peculiarly adapted to our coast defence.

The impression sought to be created that these vessels could not venture outside the harbors where they were constructed, or at all events that they could not proceed on a distant voyage, has been dispelled by the cruise of the Monadnock, which, after navigating the Atlantic and Pacific, reached San Francisco in safety. The Miantonomah, another monitor of the same type as the Monadnock, crossed the Atlantic, passed up the Baltic to Cronstadt, and has visited many of the principal ports of Europe. These vessels have, in these two voyages, disposed in a great degree of the misrepresentations and prejudices which had been created, and proved the ability of the turreted vessels to perform long voyages, when required.

Great credit is due to Commodore John Rodgers and the officers and crew who were charged with the labor, responsibility and risk of vindicating the navigating power and capability of these American naval vessels. To Lieutenant Commander Francis M. Bunce, who volunteered to navigate the Monadnock to San Francisco, and performed that duty, which many deemed hazardous, and to a few denounced as an impossibility, honor and praise and promotion are due for persevering and successful daring. Service such as his cannot otherwise than be appreciated and rewarded by the country.

Rear Admiral Goldsborough, in a dispatch dated the 7th of November, 1866, says: "The pilot who went from Cherbourg to Brest with the vessels, a man of large experience, told me that he never in his life saw a vessel behave better than the Miantonomah, and for his part, as far as safety was concerned, he would be willing to go round the world in her. Vice Admiral Popoff, of the Russian navy, who took passage in the Miantonomah from Hamburg to Cherbourg, also told me that he was particularly struck with her good sea qualities in the midst of a heavy blow and sea encountered just after leaving the Elbe, and that if he was in my place he would prefer being on board of her to the Colorado. Indeed he spoke in the highest terms with regard to her merits on the occasion."

Reports of the performance of the Monadnock and the Miantonomah are appended to this report.

QUARANTINE VESSELS.

A joint resolution of Congress, approved March 24, 1866, authorized the Secretary of the Navy to place gratuitously at the disposal of the commissioners of quarantine, or the proper authorities of any ports of the United States, to be used by them for quarantine purposes, such vessels or hulks belonging to the United States as were not required for other uses by the national Government; under this authority the sloops-of-war Saratoga and Portsmouth were placed at the disposal of the commissioners of health at New York for service at quarantine—the first named on the 20th day of April, and the other on the 18th day of May. They were returned to the navy yard in the latter part of September, the commissioners reporting that they were no longer required.

THE NAVY YARDS.

During the past year the operations of the several navy yards have, with a view to economy, been reduced to the lowest limit consistent with the public interest. On several vessels work has been altogether suspended, and on others only so much has been done as was necessary to enable the contractors for the steam machinery to place portions of their engines in the hulls. Six vessels of the class intended for high speed have been launched, and also three others in which the steam power has been somewhat reduced in order to increase the armament. Steam machinery for twelve vessels of the classes here referred to is in an advanced condition, and the Department is under contracts, made during the war, to provide the vessels in which these engines are to be placed. It has, however, been considered advantageous under the circumstances, there being no pressing necessity for this class of vessels since hostilities have ceased, to make temporary arrangements for storing the machinery and postpone the construction of the hulls.

We have in our navy yards too few ship-houses. As a matter of economy, ships should be built under cover. Protection from the weather not only facilitates the work during construction, but if retained for any period on the stocks, adds greatly to the durability of the ship after completion.

Fourteen ships are now in the course of construction at the several yards, of which nine are in ship-houses, and five are exposed to the weather. Over these last temporary covers are being erected.

These vessels, and others hastily built during the war, are constructed to a great extent of unseasoned timber, and for that reason it is best that they should remain on the stocks a longer period than would be otherwise required. The vessels which are in the course of construction can be launched whenever it may be necessary to make room for others, for which the steam machinery is being manufactured. Four of the vessels which are now on the stocks are iron-clads, larger and much more formidable than the Miantonomah and those of her class. The steam machinery and turrets for these vessels are prepared and ready for erection whenever it may be considered advisable to launch them.

In addition to the steamers which are being constructed, or are afloat, it has been deemed expedient to have a class of smaller vessels which, in many cases, can serve the purposes of the Government with greater economy than the larger vessels, particularly in time of peace.

The want of a sufficient number of building-shops, ship-houses, and dry-docks has been a serious embarrassment and cause of delay throughout the whole of the war. There should be an increase of all these, for the efficiency of the navy depends in a great degree on having an adequate number of each.

There are in the single navy yard of Portmouth, England, eleven dry-docks; more than three times the number that we have at all our yards, for there is only a single permanent dry-dock at any one yard, and but three in all of them. With these limited means, and under these disadvantages, the Department has been compelled to struggle to maintain an efficient navy in a period of great and exacting trial. Had we a war with a maritime power, where naval combats would be frequent, and cruising active, the necessity for more docks and larger yards would be great.

The supplies of timber at the different yards have been exhausted during the rebellion, and it will be true economy to provide an abundance, so that in future emergencies the difficulties and embarrassments recently experienced may be avoided. Our former policy, many years since, was to make an annual increase of ship timber, and other countries have wisely furnished themselves with this material. Commodore Steedman, in a recent communication from Carthagena, in Spain, writes: "It is an interesting fact that there is still a stock of Florida timber in this yard which came from Florida while it was yet a colony of Spain."

In the construction of ships-of-war iron may ultimately, to a great extent, supercede wood; but such are the resources of timber in this country that wooden vessels will, for some time to come, constitute a large portion of our navy.

For the construction of iron and armored vessels, it can only be repeated that, although our country has the material in great abundance, and possesses many advantages in that regard, we are almost wholly unprepared. In future maritime wars the contests between the great naval Powers for supremacy on the ocean will be determined chiefly by iron-clad or armored ships. Our turreted vessels or monitors will be powerful and effective for harbor and coast defence, but in conflict with any European Powers our countryman will hardly be content with merely defensive warfare.

Armored vessels for ocean cruising must necessarily be of large size, which cannot, with the requisite strength, be secured in wooden structures. If attempted, the immense masses of timber must rapidly decay, and the cost resulting from deterioration will be such as no economical and prudent nation will consent to sustain. Ships for cruising and offensive operations must be such as can use sails, for no vessel can long keep the sea under steam alone. Such vessels as are here suggested should be built at a Government establishment, for though private enterprise can do much in aid of the navy, the peculiarities of iron vessels for naval purposes are such that private parties cannot undertake the work unless at prices which will cover all the outlay for the establishment, as well as the vessels, for there can be no other customer than the Government for such work.

In this view of the subject it is plainly the interest of the Government to erect its own shops and machinery, and to possess its own establishment for the construction of its iron and armored naval vessels. Several years of preparation will be required to provide the necessary appliances for such an establishment, and a special and convenient location, with ample area, should be promptly selected. In each of the navy-yards a dry-dock is indispensable, and for a steam navy there should be suitable shops and accommodations for the repair of vessels.

The navy-yards at Norfolk and Pensacola, which were almost totally destroyed during the war, require large expenditures to place them in a condition to be efficient. They have been occupied as naval stations since the Government recovered possession, and some repairs have been made at each; but the dilapidated walls and remnants of the former establishments remain in a condition which renders them scarcely fit for occupancy or use. This is more particularly the case at Pensacola, where only a few out-buildings and stables escaped destruction. These are now converted into temporary quarters for the officers on duty at that station. From the limited appropriations which have been made some progress has been effected towards restoration at Norfolk. The destruction at this yard was not so thorough and complete as at Pensacola.

The yard at Norfolk is, in a national point of view, one of the most important, as well as one of the best located, in the United States. It is the only southern yard on the Atlantic coast, is accessible in all seasons, has one of the best harbors in the country, and is, in every respect, favorably situated, with many natural advantages for a naval establishment. There is at this yard a permanent dry-dock which, under all the disadvantages that have existed, has been of immense service to the Government in the repair and refitment of vessels, without the delay and additional expense that would have been incurred in sending then further North. Since the termination of the war, most of the machinery which belonged there has been recovered, and portions of it put in operation. But in order that this yard may be placed in proper working condition, at all comparable with its former state of efficiency, and adequate to the future wants of the service, much yet remains to be done.

The yards at Norfolk and at Pensacola are as essential to the navy and the country as either of the yards at the North, and in the event of a foreign war we could better dispense with one of the yards north of the Chesapeake than with either of these. Our possession of them during the late conflict, even in their dilapidated condition, was of great value to the Union cause. After their recovery the vessels composing the several blockading squadrons were not detached and sent North for ordinary repairs, with loss of service, during their absence, of vessels and crews, but were retained on their stations. The repairs thus effected were made without many of the required facilities, but, notwithstanding great disadvantages, considerable saving ensued to the Government, and the blockade was thereby made more efficient.

The suppression of the rebellion and the re-establishment of that peace and unity which constitute us one country and one people, make it a duty to restore these national establishments to their former efficient condition. In so far as there was reason during the rebellion for refusing to do this because insurrection prevailed in the regions where the yards are situated, that reason no longer exists. True, the expenditures will be made in States which were in rebellion, but the rebellion has passed away, the States are parts of the Union, and the establishments which are to be renovated are national in their character, and of general interest to all. Upon the Pensacola yard, even in its present ruinous state, we must depend for repairs and supplies for any squadron we may employ to guard the ocean outlet of the great central valley of the Union, and of our whole coast bordering on the Gulf. To neglect to put that yard in proper condition would be to neglect Iowa, Illinois, and the States North, as well as Louisiana and Mississippi.

In the event of a foreign war with the great maritime Powers, our country would labor under serious disadvantages were we without a navy-yard or naval station in the Gulf. A naval force of steamers—and all fighting vessels must hereafter be steamers—could not be maintained in the Gulf without frequent repairs and supplies. With no navy-yard in the Gulf, the disabled vessels would necessarily be withdrawn from their station and compelled to proceed to a Northern yard for refitment. Besides the perils incident to a voyage under these circumstances, with an enemy on the coast, the services of the officers and crews, as well as of the vessel itself, would be lost during the time she might be absent in going to and returning from a Northern yard. The rebels and the waste of war have devastated the Norfolk and Pensacola yards, but the best interest of the service, and the obligations of the Government, are not less imperative, now, when peace and union are restored, to place them in proper condition. It is to be hoped, therefore, that liberal appropriations will be made for that purpose.

NAVAL DEPOT FOR IRON-CLADS.

In consequence of the failure of the Senate to act on the bill which passed the House of Representatives for the acceptance of Leagus Island for naval purposes, the Government remains without a depot or station for our iron and armored naval vessels. Most of them have been permitted to remain in the back channel at Leagus Island, where they were placed after the close of the war, as the best and most available location for their security and preservation. It is desirable that the bill for the acceptance of League Island, which has been unfortunately delayed in its passage through the Senate, should receive the early action of that body, that the necessary appropriation may be made for deepening the channel, preparing suitable docks, and making other necessary arrangements, at an early period, for the proper care and protection of the large number of costly vessels which are there in a precarious condition, and from which they are liable at any time to be warned away by the proprietors of the adjacent shores. The vessels lying in the back channel are there on sufferance. Being of iron, it is essential that they should be laid up in fresh water, and in consequence of the omission of Congress to provide any suitable place, the Department selected this location as by far the most eligible in the country for that purpose. They are there, however, under many disadvantages, for no preparations or improvements for them have been made, nor is the Department authorised to make any, for the safe-keeping, protection, and preservation of vessels which have cost the Government several millions. Deterioration and permanent injury must be the consequence of this delay, and, notwithstanding every precaution has been taken, it is but reasonable to expect that they have already been damaged to some extent from their exposed condition.

ENLARGEMENT OF NAVY YARDS.

The purchase of Seavey's Island, adjacent to the navy-yard at Kittery, authorized by the act of April 17, 1866, has been consummated, and that island now constitutes a part of the Kittery navy-yard. This acquisition enlarges the heretofore restricted limits at that station, and will obviate some of the difficulties which have been experienced in consequence of insufficient room for the shops, sheds, and storehouses which are wanted to store materials. The annual loss at this and other yards by the deterioration of materials unavoidably exposed to the weather or stored, with much inconveniences, in temporary sheds, has been very great. The want of sites for the erection of additional storehouses and sheds has led to propositions for adding one additional story to the present buildings.

Operations at most of the yards have been much embarrassed for want of room, but at no one has there been so much difficulty and inconvenience from this cause as at Philadelphia. Until the introduction of steam the Philadelphia yard was of secondary importance, on account of its interior location, which rendered ingress and egress to vessels propelled exclusively by sails difficult and dilatory. But the revolution wrought by steam—the manufacture of iron vessels, and engines, and armament—the advantage of an interior location which was formerly an objection—the facility with which iron and coal can be obtained on the Delaware, and the necessity that our iron and armored vessels should be laid up in fresh water, will make the navy establishment on the Delaware river important beyond any other in the country. It is impossible, however, to carry on the operations which are essential at this central point within the limits of the present yard, which has scarcely one-sixth of the area of any other, almost all being too restricted. Nor can the present yard, which is within the thickly populated part of the city of Philadelphia, be enlarged except at a cost which precludes the idea of its accomplishment. Another location must be obtained. Ten times the water front, and twenty times the area of the present Philadelphia yard are wanted for the naval establishment on the Delaware. There is no doubt that the present yard will be abandoned, and the sooner another location is secured, with ample room for the necessary works, to which the present establishment can be transferred, the better will it be for the service and the country. Should the Senate confirm the law which was passed by the House at the last session, accepting League Island for naval purposes, ample ground and water front will be obtained.

HARBOR DEFENCE.

The changes which have taken place within a few years, both in the character of vessels and guns, have raised questions as to the most effective means and the best use of those means for sea-coast defence. The value of iron-clad vessels, of channel obstructions, and of torpedoes as means of defence, are, respectively, matters for consideration. A communication was addressed by this department to the Secretary of War in February last, suggesting the organization of a joint army and navy board for the consideration of these questions and the adoption of some general principles concerning them.

The extent to which each or all of the means suggested could be advantageously used, the best form of iron-clad vessels, the character of the obstructions and of torpedoes—to what department the preparation of these defensive means properly appertained, and which should control their use—are points which it is important to have defined and settled.

The Secretary of War concurred in the importance of organizing such a board, and assigned experienced officers to serve upon it in conjunction with naval officers detailed by this department. This board, consisting of Rear-Admirals Charles H. Davis and John A. Dahlgren, and Commodore James Alden, of the navy, and Brevet Major General J. G. Barnard, Brevet Brigadier General Z. B. Tower, and Brevet Brigadier General B. S. Alexander, of the army, assembled at Washington on the 1st of March, and continued in session until the 17th of July, and had these matters before them.

In the discussion of the three leading subjects which have been indicated it was an object with the board to arrive at and report upon some definite plan of proceeding by which our harbors could, on a sudden alarm or emergency, be put at once in a complete state of defence against an enemy's fleet.

In their preliminary report the board advocated the importance of having always on hand a number of iron-clad vessels at each of our great commercial cities, and within the waters of our exterior bays; but without further information both as to the offensive and defensive properties of our forts, and also of our iron-clads, it was unable to specify the requisite number, or to define precisely the part they should perform in the defence of our harbors, especially as that would depend upon the degree of success which might be attained in a well-devised system of channel obstructions.

On the subject of channel obstructions, a plan submitted by one of their number was favorably received by the board, who recommended that it should be tested experimentally, but such a test would have involved a large expenditure of money, for which there was no adequate appropriation. The board also recommended some general experiments to be made under their direction for ascertaining and setting certain general principles concerning the effect of torpedoes. After a very full examination the members became convinced that they could arrive at no definite conclusions on the points submitted without preliminary experiment, and satisfied that they could not add materially to what they had already reported, the board was dissolved by order of the Department.

The subject is, however, of great importance, and should receive thorough consideration.

PROMOTIONS.

In conformity with the provisions of the act of the 25th of July last, "to define the number and regulate the appointment of officers in the navy, and for other purposes," selections were made for promotion and advancement in the brief period which remained after the passage of the act, and before the close of the last session of Congress. This labor was much facilitated by consultations which had previously taken place with most of the officers of the highest rank in the service who were on the active list, and under whom nearly every officer had served during the war. But the requirement, "that the increase in the grades authorized by this act shall be made by selection from the grade next below, of officers who have rendered the most efficient and faithful service during the recent war, and who possess the highest professional qualifications and attainments," could scarcely be expected, under any circumstances, to be carried into effect without causing some disappointment. By the act of January 24, 1865, an advance, "not exceeding thirty members, in rank for having exhibited eminent and conspicuous conduct in battle, or extraordinary heroism," was authorized. In the selections for promotion the tests prescribed by Congress controlled when the qualifications in other respects were unexceptionable. Many officers afloat had no battle record; others possessing high qualifications, but, occupied in other duties, had unfortunately been in no position to render actual fighting service during the recent war. Some few have necessarily been superseded by their more fortunate juniors, whose record being in all respects meritorious, they were selected for promotion under one or both of the tests which Congress adopted.

But for the war no such law would have been enacted, and the great object of the law was the recognition of war services. Governments very justly recognize and reward courage and success. The acts of 1865 and 1866 gave preference for promotion or advancement to those meritorious officers who had distinguished themselves by their heroic qualities and achievements over those who were not endowed with those qualities, or who had been so unfortunate as to have no battle record.

Where all had done so well it was a delicate and embarrassing duty to discriminate and select for promotion. No body of men ever acquitted themselves with more honor than the gallant officers of the navy during the late war, and it is a gratification to know that while some have received higher honors than others, yet every one on the active list who faithfully discharged his duty has, by the liberal provisions of the Government, been advanced, and, if not promoted, occupies a higher number in his grade by the operation and administration of the law.

By the provisions of the third section of the law, a board of naval officers, consisting of Commodore S. P. Lee, Captain Foxhall A. Parker, and Commander John Lee Davis, was convened at Hartford, on the 5th of September, for the purpose of examining such officers as have served in the volunteer naval service for a period of not less than two years, with instructions, after examining the claims of all candidates, to select and report from the most meritorious in character, ability, professional competency, and honorable service, the number authorized to be appointed and transferred to the regular navy under the act. This board was subsequently enlarged by the addition of Captain Daniel Ammen and Commanders Walter W. Queen and K. Randolph Breese. Owing to the large number of candidates who desire to avail themselves of the privilege of the act, as well as to the thoroughness of the examination, and also to the fact that all who claim the right must be examined before the authorized selections can be made, there will be necessary and unavoidable delay on the part of the board in making their report.

[The paragraphs under headings of "Naval Academy," "Naval Apprentices," "Seamen," "Outfit for Seamen," are deferred.]

TIMBER LANDS.

Many years since the government adopted the policy of reserving from sale certain timber lands for "the sole purpose of supplying timber for the navy of the United States." The lands thus reserved were placed under the control of this department, and are scattered through the States of Florida, Georgia, Mississippi, and Louisiana. Agents were appointed, with salaries ranging from $400 to $2,000 per annum, with allowances for boat hire, horses, wagons, and other alleged expenses, to protect these lands from depredation. These agencies were continued, at considerable annual cost to the Government, until the beginning of the rebellion, when they were discontinued, and they have not been revived since the insurrection was suppressed.

Measures for the preservation of live-oak were commenced as early as 1817, and it was represented at that time that many of the trees had obtained their full growth. Yet it is not known that any timber has ever been procured from these lands for the Government, but, so far as ascertained, every stick of live-oak which has been used by the navy has been purchased, and there is little doubt that much of it was cut and taken from the timber reservations which had for years been protected by Government agents, at great annual expense to the Government.

Since the restoration of peace, ineffectual search has been made for the maps and papers relating to these lands, but they have not yet been found. Whether they have been misplaced or were abstracted by those who had access to and charge of them, but who fled South at the commencement of the rebellion, cannot be stated. Some difficulty may be experienced in ascertaining the quantity and precise locality of these reservations, but from what has taken place, it is evident that the policy of timber reservations with salaried agents to protect them is a costly failure, and should be abandoned. The Government has experienced no inconvenience in procuring ship timber from private parties, nor is it apprehended that any embarrassment will occur from that source in the immediate future. Under these circumstances it is a question whether the Government should not, through the Land Office, resume possession of these reserved lands, and put them in market to be sold for general purposes.

NAVAL PENSION FUND.

At the date of the last annual report, the naval pension fund amounted to $9,000,000. There has been added during the year the sum of $3,750,000, making the aggregate at the present time $11,750,000.

By law one-half of the net proceeds of all prizes, when the captured vessel is of inferior force, is decreed to the United States, and it is enacted that all money thus accruing to the United States from sale of prizes shall be and remain forever "a fund for the payment of pensions to the officers, seamen, and marines, who may be entitled to receive the same, and if the said fund shall be insufficient for the purpose, the public faith is pledged to make up the deficiency; but if it should be more than sufficient the surplus shall be applied to the making of further provision for the comfort of disabled officers, seamen, and marines."

The efficient and active vigilance of the navy in capturing prizes, and the promptness with which their adjudication has been enforced, has placed in the Treasury a fund the income of which is more than sufficient to pay the pensions at present rates. Further legislation is therefore required in order that "the surplus shall be applied to the making of further provision for the comfort of disabled officers, seamen, and marines."

The subject is submitted for consideration that the necessary provision may be made to carry into effect the pledged faith of the Government.

PENSIONS.

On the first of November last the navy pension roll was as follows:

| | |
|---|---|
| 1,057 invalids, with annual pension amounting to | $78,637 05 |
| 1,208 widows and orphans, annually receiving | 192,102 00 |
| 2,265 persons receiving a total annual amount of | $270,739 05 |

This amount will be somewhat increased by virtue of the provisions of the acts of June 6 and July 25, 1866.

COMPENSATION OF CLERKS.

The compensation of the clerical force of the Department is small for the service rendered, and insufficient for the support, in a manner becoming their position, of the clerks and their families. *All persons who have fixed incomes are injuriously affected by our expanded currency.* With the ruling high prices for rents and necessaries of life, the struggle of such as have low salaries and dependent families is extremely severe. A fair compensation on the part of the Government to those who faithfully serve it is undoubtedly the best policy.

An extra allowance, if made to the employees of any Department, should be extended in like manner to the clerks in the other Departments, who are as faithful and as meritorious, and subject to the same expenses as those who have received the special benefaction of Congress. The discrimination which is made is not only invidious, but in its effect most discouraging upon those who, while laboring with equal fidelity and assiduity in similar positions, are denied corresponding remuneration. No money of the Government is more judiciously expended than that which is paid to the capable and faithful clerical force in the Departments; and that of the Navy Department I earnestly commend to the special consideration of Congress.

EXPENSES AND ESTIMATES.

| | |
|---|---|
| The available resources of the Department for the fiscal year ending June 30, 1866, were | $142,291,919 40 |
| Expenditures | 43,324,526 42 |
| Leaving a balance at the commencement of the present fiscal year of | 98,967,392 98 |
| The appropriations for the current year amount to | 18,976,667 50 |
| Making the total available resources for the fiscal year ending June 30, 1867 | 117,944,060 48 |

As several of the bureaus will have unexpended appropriations, which will be ample for some time to come, they have made no estimate for the fiscal year ending June 30, 1868.

The following amounts are asked for:

| | |
|---|---|
| Pay of officers and men of the navy | $10,826,280 00 |
| Pay for labor and superintendence in navy yards | 7,976,193 00 |
| Bounties to discharged seamen | 300,000 00 |
| Navigation, Naval Academy, Observatory, &c. | 612,229 15 |
| Magazines, &c. | 80,000 00 |
| Surgeons' necessaries and hospitals | 386,513 00 |
| Contingent expenses | 1,502,000 00 |
| Support of marine corps | 1,395,212 01 |
| Total | 23,568,436 16 |

The large unexpended balance in the Treasury at the close of the last fiscal year is embraced in appropriations under more than one hundred different heads. Many of these are continuous, have been made for years, their expenditure will be protracted through years to come, and, though assisting to make up a large balance, cannot be dispensed with. There are large amounts, however, under the heads of "construction," "steam engineering," "ordnance," "provisions and clothing," and "fuel," which can with propriety revert to the Treasury. No appropriations under these heads were made for the current year, and for the ensuing year none are asked. In the course of time the appropriations would be exhausted, but it is not believed to be in accordance with sound public policy in time of peace to continue such large amounts at the disposal of the Department.

Liberal appropriations for the naval service were made during the existence of the war, but the funds of the Department were always carefully and economically expended. This fact is attested by the numerous claims of contractors for relief now before Congress; and the result is, that the Department is able to complete all the vessels and engines contracted for before the close of the war, and designate appropriations to the amount of about fifty millions of dollars that can be relinquished to the Treasury, or may be otherwise disposed of by Congress.

It has heretofore been deemed essential to correct administration that there should be annual estimates for proposed expenditures, and specific appropriations therefor after examination by Congress, and this Department has no desire to evade this annual scrutiny.

THE BUREAUS.

The reports of the several chiefs of bureaus and of the colonel commandant of the marine corps are appended, and are referred to for full information of the operations of their several departments. A brief abstract only can here be given.

The chief of the Bureau of Yards and Docks gives in detail a statement of the repairs and improvements at the navy yards, the present condition of the work, and his views of future wants. The expenditures for permanent improvements were necessarily small during the last four years, and now that the war is closed, it is thought to be sound policy to supply many of the wants and correct the defects which a state of war has developed. The Portsmouth yard has been extended by the purchase of Seavey's island, and arrangements have been made, subject only to a grant of jurisdiction by the New York Legislature, for extending the Brooklyn yard by incorporating into it property known as the Ruggles estate. The means for executing work at the Philadelphia yard are very limited, and, in consequence of the want of shops and machinery, large quantities of work have been done in private establishments which could have been performed more economically and perfectly in the navy yard had the facilities existed. It is also recommended that the Washington yard be extended by the purchase of additional property. Fourteen beneficiaries have been admitted to the Naval Asylum during the year, nine have died, and one has been sent to the Insane Asylum. Total number on the rolls, including officers and attendants, 172; expenses, $62,282 56.

The Bureau of Navigation has under its immediate supervision the Naval Academy, Naval Observatory, Hydrographic Office, Nautical Almanac, and the school for naval apprentices, and a survey of operations in each of these departments is given in the report of the chief of the bureau. The subject of the local deviation of compasses, arising from the use of large quantities of iron in the construction of vessels-of-war, is occupying the attention of the bureau, and the results of some important observations will soon be made public. To collect data for this purpose, an officer was especially sent to San Francisco in the iron-clad Monadnock. Hydrographic Office has been established in this city, under authority of an act of Congress passed at its last session. It will be the central depot from which charts, sailing directions, and nautical books in general will issue. The new buildings for the Naval Academy authorized by Congress will soon be commenced; other improvements have been completed. The Superintendent of the Naval Observatory reports that there has been added to the instruments of that institution a great Transit Circle, which restores the observatory to the rank of a first-class institution, and will largely extend its sphere of usefulness. The result thus far of the naval apprentice system has not, in the opinion of the chief of the bureau, disappointed the expectations of its most sanguine advocates.

The chief of the Bureau of Ordnance reports the sale, during the past year, of unserviceable cannon and surplus powder to the amount of $337,364. Other ordnance material which the close of the war has left on hand, and is not needed for the present or prospective wants of the squadrons, will be disposed of. He states that the most satisfactory results have been attained with guns cast either solid or hollow, and nothing has transpired abroad, in the efforts to produce a steel or steel and wrought-iron gun better than ours, to induce a fear that cast-iron ordnance will be surpassed in any essential of endurance, either as smooth-bore or rifles. In gun-carriages a decided improvement has been made in the substitution of iron for the cumbersome wood ones so long in use, and a carriage has recently been designed upon which a fifteen-inch gun can be safely handled in any weather in which an action may be fought at sea.

The chief of the Bureau of Equipment and Recruiting reports that seven hundred and thirty one tons of hemp, of a value of $296,489, have been used at the Government ropewalk at Charlestown. A board has been organized to examine and test the comparative strength of wire and hemp rope, with a view to its more general introduction into the navy, should the report be favorable. It is believed that by the use of wire instead of hemp rope, a vessel of the Wabash class will be relieved of over four tons' weight aloft, and that there will be a large saving in the original cost, as well as increased durability in the rigging of a vessel. The coal contracts for the current year are for 40,000 tons delivered at Philadelphia, at $5.61 per ton, and 12,000 tons deliv