THE MARYLAND NEWS SHEET.

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LATEST NEWS.

TELEGRAMS.

FROM FORTRESS MONROE.

An Engagement between Gunboats on the James River.

FORTRESS MONROE, December 3.—There has been no arrival here from either Hatteras or Port Royal. The weather has been quite cold and wintry.—To day about half an inch of snow fell. A strong northeast wind has been blowing all day, with some abatement about noon.

The steamer Spaulding leaves to-night for Hatteras Inlet with provisions, clothing, etc., for the troops.

A short engagement took place yesterday, about five miles from Newport News, between United States gunboats Hetzel, Seymour, Whitehead and Shawsheen, and a Confederate steamer supposed to be the Yorktown. The engagement lasted about two hours, commencing at five o'clock A. M. The Confederate vessel kept close to the shore, where a powerful battery supported it materially, but never ventured within fair range of our guns. The firing was kept up with great vigor, and the roar of the guns was distinctly heard at Old Point.

A flag of truce, in charge of Provost Marshal Davis, went from here this morning to convey to Norfolk Mr. Pangford, Consul for Saxony, on his way to New Orleans. By means of the flag we learn that the Confederate steamer engaged in the action yesterday was the steamer Patrick Henry, but the Confederates claim that no damage was sustained by them.

FROM WASHINGTON.

Visit of the Judges of the Supreme Court to the President

WASHINGTON, Dec. 4.—The Chief Justice and Associate Justices of the Supreme Court of the United States, and its officers, paid their respects to the President at the Executive mansion on Monday last.

The Appointment of Sutlers.

WASHINGTON, Dec. 4.—Numerous applications for appointments as sutlers have been made to the War Department, which has no power to appoint them. The following is the law on the subject as contained in the revised army regulations:

"Troops in campaign or detachments on distant service, will be allowed sutlers at the rate of one for every regiment, corps or separate detachment, to be appointed by the commanding officer of each regiment, corps or detachment, upon the recommendation of the council of administration, subject to the approval of the General or other officer in command."

Desertions from the Navy.

WASHINGTON, Dec. 4.—Martin S. Harris, of New York, appointed Acting Master in the Navy, on temporary service, and Eli Bowen, of Marblehead, Mass., and Robert Simms, of New York, who were appointed Acting Master's mates, have deserted after drawing two months' advance pay.

Arrival of Gen. Benham at Washington.

WASHINGTON, Dec 3.—Gen. Benham, commanding in Western Virginia, arrived here to day, and immediately reported to the proper authorities.

FROM MISSOURI.

A Skirmish at Salem.

ROLLA, Mo., Dec. 3.—Major Bowen, who left here on Saturday last, with a hundred cavalry from General Wyman's Brigade, in search of the Confederate Freeman, arrived at Salem last night. At about three o'clock this morning he was attacked at that place by the Confederates under Colonels Freeman and Turner, and after a sharp fight—the enemy holding one part of the town and our forces another—the Confederates were driven from the place and completely routed, with a loss of some ten killed and thirty wounded, besides a great many prisoners captured. Among the latter was a captain. The Federal loss was about fifteen killed and wounded. Major Bowen holds the town. Reinforcements have been sent him, as it is feared the Confederates will rally in large numbers and overwhelm his command. It is reported that from two to three thousand Confederates are in that vicinity.

ARRIVAL OF THE STEAMER NORTHERN LIGHT.

More Gold from California—Probability of the Capture of the Sumter—Later from Carthagena.

NEW YORK, Dec. 4.—The steamer Northern Light, from Aspinwall, has arrived, bringing $570,000 in treasure from California.

Capt Tinklepaugh reports that information had been received at Aspinwall that the privateer Sumter was at Martinique November 9th, and that the United States gunboat Iroquois was within three hours' sail of her.

Advices from Carthagena state that General Casal has been defeated, and that the Archbishop of Bogota has been expelled by General Mosquera, and that the latter's forces occupied a part of Atrisquia.

Deplorable accounts from Bolivia have been received. The Commander General at Lapaz had ordered the execution of two hundred persons engaged in the recent revolutionary movements there. Among those executed were ex-President Cardeva Gomesis.

FROM ST THOMAS, W. I.

The West India Mail Company and the Arrest of Sildell and Mason.

NEW YORK, Dec. 4.—Advices from St. Thomas, received via Aspinwall, report that the captain of the privateer Jeff. Davis was on board the steamer Trent when Messrs. Mason and Sildell were captured. The West India Mail Company, in consequence of the Trent affair, had ordered their agents to furnish no more coal to United States vessels. The United States sloop-of-war Wyoming was at Panama at last accounts.

Latest from one South.

LOUISVILLE, Dec. 3.—The Atlanta *Confederacy* says the Mayor of Augusta and the Governors of Georgia, Alabama, Mississippi and Louisiana, have recommended the Legislatures to suppress unjust and unpatriotic speculations in the prime necessaries of life.

The Knoxville *Register* says the Lick Creek bridge, on the Tennessee and Virginia Railroad, has been repaired, which has opened communication between Knoxville and Bristol.

A Richmond despatch to the Nashville *Patriot* says: Daniel Hand, formerly a merchant in Augusta and Savannah, and recently of New York, has been committed to Jail here, suspected of treason or of being a spy.

A conspiracy of Union men had been discovered in New Orleans, causing great excitement there. Many arrests had been made.

From California.

SAN FRANCISCO, CAL., Nov. 30.—The steamer St. Louis sailed to day for Panama, with $981,000 in treasure, and 40 passengers, for New York, including Senator Stark, of Oregon, several army officers, and about 2,000 soldiers, recently enlisted.

Marine.—Arrived, bark Belly Pearlback, from London. Sailed recently, Avon, for Sydney; N. B. Palmer, for Singapore; whaler, John Howland.

Legislative Caucus.

ANNAPOLIS, December 4.—In caucus to-night Thomas J. Wilson was elected Printer to the House by five majority over Messrs. Bull & Tuttle.

A STONE FLEET FOR CHARLESTON HARBOR.

From the New York Herald, Dec. 4.

The approaches to Charleston harbor 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.

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 Confederates 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.

The following are the names and tonnage of the vessels (twenty in all) which have been purchased by the Navy Department for this purpose:

Names.	Where Purchased.	Tons.
Ship Montezuma	New London, Conn	424
Ship Amazon	New London, Conn	418
Bark Edward	New Bedford, Mass	341
Bark Hechanic	Newport, Mass	335
Bark Messenger	Salem	226
Ship India	New Bedford	366
Ship Newburyport	Gloucester	241
Ship Wm Lee	Newport	311
Ship Emerald	Sag Harbor, N. Y	518
Ship New England	New London, Conn	375
Bark Dove	New London, Conn	151
Ship Valparaiso	New Bedford	402
Bark Noble	Sag Harbor	274
Ship Majestic	New Bedford	297
Brig Stephen Young	Boston	199
Ship Bogota	New York	309
Bark Peri	Portland, Me	265
Bark Jubilee	Portland, Me	233
Ship Margaret Scott	New Bedford	330
Bark Marcia	Portland	343
Total, 20 vessels, of		6,428

The first operation of this kind, it will be recollected, was directed against Ocracoke Inlet, one of the numerous entrances to Albemarle and Pamlico sounds. These ratholes, as they have come to be called, afforded facilities for privateers to escape the vigilance of our cruisers, and enabled them to easily elude the blockade. Hatteras and Ocracoke inlets being now hermetically closed, the one by the forts which are in the possession of our troops, and the other by vessels sunk in the manner indicated, there is no longer any chance of their giving us trouble. The water approaches to Savannah have probably by this time been dealt with in the same way, and in a few days the vessels above specified, and comprising the third expedition of this character, will sail for Charleston, to block up that harbor. A few more operations of this kind against the Confederate ports, and we shall leave foreign Governments but little ground of complaint against the inefficiency of the blockade.

Major Slemmer, so long the hero of Fort Pickens, has been attacked with camp fever and dysentery in General Rosecrans' division, and is supposed to be in a dying condition.

MESSAGE OF GOV. HICKS

TO THE

LEGISLATURE OF MARYLAND.

Gentlemen of the Senate
and of the House of Delegates:

I have called together the General Assembly of Maryland in anticipation of the regular session in January, and it is proper I should briefly recount the events and state the reasons which have led me to that determination.

About the time at which South Carolina passed her ordinance of Secession, and during several months thereafter, I was importuned to convene the Legislature.

It was urged, with great zeal, that the people of Maryland should have an opportunity of saying whether they would remain loyal to the Government framed by our fathers, or join the seceded States in their mad crusade against the continuance of the Union.

It was alleged that if the Legislature should be convened it would either call a sovereign Convention, or submit to a vote of the people the grave question whether they desired such a Convention to assemble.

The strenuous effort to induce me to call together the Legislature having failed, I was then earnestly desired to submit to the people, by Proclamation, the question whether or not they wished a Convention to be assembled. I declined to accede to this request, because, under the Constitution, I possessed no such power.

In thus persistently refusing to comply with those propositions, I am well aware that I assumed a grave responsibility. But I was satisfied, nevertheless, that I was but performing what, to me, seemed to be a clear and simple duty. And for the consequences I was then, and am now, willing to rely upon the justice and good sense of my fellow citizens; to whom it is due that I explain, as briefly as I can, the reasons which induced my course.

I believed that I was thoroughly acquainted with the proclivities of a majority of the members of that Legislature. I was perfectly convinced that they desired Maryland to leap, no matter how blindly, into the vortex of Secession. I believed the same to be true of the most of those citizens who so persistently urged the assembling of the Legislature. I was, therefore, unwilling to lend my hand an opportunity to misuse its great power; not doubting that, in limitation of the Legislatures of the seceded States, it would exert that power to the great detriment of the people of Maryland.

It is true that I earnestly desired the people to have an opportunity of expressing their will at the ballot-box, in regard to the position of Maryland, and I would most cheerfully have afforded them such opportunity if I had possessed the constitutional power to do so in any other way than by convening the Legislature.

But I could not trust that body in so momentous a crisis. I did not believe the people could possibly have a fair and free expression of their will under the provisions of any law for that purpose which might be enacted by that Legislature. I was sure that through some juggle Maryland would be forced to secede. I need not speculate here in regard to the mode by which this would have been accomplished; whether by the bayonet or by some equally cogent or persuasive process. I merely assert that I believe the plans of the Secessionists would have been accomplished, if they had had the great power of the Legislature to aid them.

I was, during all that time, positively convinced that a majority of the people of Maryland did not wish the State to secede. They knew that the secession of Maryland would attempt to carry with it the possession of the National Capital; and knowing, also, that our Northern and Western brethren could not be expected to acquiesce peaceably in such a step, I concluded that our people were not insane enough to wish this State to become one vast battle-field and our homes made desolate.

I continued, then, to refuse to convene the Legislature; I hoped that nothing but *time* was needed to cause even zealots for secession to change their opinion, or, at least, to bear their designs. In this, it appears, I did not accurately measure the extent of their madness.

But I did not know how much I erred in this regard until my eyes were opened by the occurrences in Baltimore on the 19th of April, and the subsequent events connected with that most treasonable outbreak.

I then concluded that I could not hope to gain much more time in which the misguided men might see its error. And, when Coleman Yellott, Esq., the late Senator from Baltimore city, after advising with the Board of Police Commissioners, and institutes by the more prominent of the conspirators, unless fully heard his "Proclamation" for an assembling of the Legislature at Baltimore, where a large and active portion of the Secession element would be congregated, I knew it was time for me to act. True, I might then have called upon the President of the United States to quell the insurrection, but this would almost certainly have caused the destruction of the city of Baltimore. I might have called out the militia to endeavor to restore quiet, and indeed I did make an effort to that end. But I discovered that nearly all the officers were in league with the conspirators, and the volunteer corps of the city and vicinity, which possessed arms, were almost entirely in the same category. It is true there was a considerable loyal military force in Baltimore, but it was undisciplined and entirely unarmed. So that if I had effectively called out the militia, at that time I should have actually assisted the conspirators in their designs.

I concluded, therefore, after anxious deliberation, that there was but one course left to me. I summoned the Legislature to assemble at Frederick city, in the midst of a loyal population, on the 26th day of April, believing that even the few days thus gained would be invaluable.

By the merciful intervention of Providence this step accomplished my full purpose. The State could not secede, and bloodshed was averted from her soil.

The history of that Legislature is before the country. Not only did it fail to do its duty, as representing a loyal State, but it actually passed treasonable resolutions, and attempted to take, unlawfully, into its hands both the purse and the sword, whereby it could plunge us into the vortex of Secession. It was deterred from doing this latter only by the unmistakable threats of an aroused and indignant people.

Restricted in the duration of its sessions by nothing but the will of the majority of its members, it met again itself a mockery before the country. This convention, assuming the name of a Legislature, and claiming to represent the people of this State, the treasonable action of the late Senate and House of Delegates has unparently placed Maryland in an attitude of hostility to the General Government, and her Union-loving people in a false and unwarrantable position. I say apparently, because the votes of the people on the 19th of June, and again on the 6th of November, have declared in most emphatic tones what I have never doubted, that Maryland has no sympathy with rebellion, and desires to do her full share in the duty of suppressing it.

Looking, therefore, to the evil done by your predecessors, and deeming it impossible to mistake the wishes of the people, as expressed at the ballot-box, I have not hesitated to convene your honorable bodies in special session, in order that you may at once perform the will of the people, by taking such steps as will, in your wisdom, seem most effective to vindicate the honor and loyalty of our State.

I have such confidence in the courage, ability and patriotism which I know to exist in this Senate and House of Delegates that I might well here conclude this communication. I feel sure that no topic on which you should take action will escape your discernment. But in accordance with custom, and with the requirements of my duty, I hereby respectfully offer some brief suggestions in regard to the more prominent topics which demand your immediate and careful attention.

The tax-payers in Maryland are looking with great interest for your action in regard to the best method of raising the money which is required to pay our proportion of the National tax levied by Congress to aid in defraying the expenses of the war, and also the other sums which will be necessary to enable this State to follow her own former patriotic example and that of her loyal sisters.

Our proportion of the National tax amounts to the sum of four hundred and thirty-six thousand, eight hundred and twenty-three dollars and thirty-three cents; and Congress has allowed fifteen per centum of this sum to be retained by us to defray the costs and charges of collecting the same.

It is impossible for me to offer any estimate of the amount that will be necessary for the other purposes I have indicated. But I look upon the whole subject as one in which dollars and cents should not be regarded. The rebellion is to be put down, no matter at what cost. Our State must bear her share of the expense, and our people have shown their desire to do so by casting an overwhelming majority of their votes in favor of the maintenance of the Union.

Yours, then, should be no niggard hand. In this case liberality will be economy, and the best people look to you thus to vindicate their devotion to the Government.

A direct tax, to raise the necessary amount, would, in my opinion, fall heavily upon the people at this time, because of the partial prostration of the mercantile and industrial pursuits. Of course, if the money can be procured in no other way, direct taxation must be resorted to. But, as such a tax is always unacceptable, and would be onerous, under all the circumstances, I trust you will be able to devise some method by which its imposition at this time may be avoided.

The Legislature being constitutionally empowered "to contract debts, to any amount that may be necessary for the defence of the State," it seems to me that the best method of raising the required sum would be to borrow, on the bonds of the State, an amount sufficient for our purpose, after deducting therefrom a proper proportion to be reserved as a sinking fund for their redemption.

The interest on the bonds might be met by a very slight increase of the present small rate of direct taxation; which, so increased, would not amount to the rate so long and cheerfully borne by our people when no rebellion threatened the Union. By thus pledging the State's credit, the people will be relieved from paying an onerous heavy debt which has been fastened upon us by the insane conduct of the rebels. We shall also be spared the mortification which would certainly ensue in consequence of our inability to collect the necessary amount by direct taxation in due time to meet our obligations to the Government

It may not be inappropriate to suggest here that you cannot reasonably expect any assistance to meet the exigencies of such an occasion from the current receipts into the Treasury. The Comptroller of that Department informs me that on the 30th of September, 1861, at the close of the fiscal year, the condition of the Treasury was as follows:

Balance on hand as of Sept. 30th, 1860	$255,587.75
Receipts during the year	960,913.08
	$1,216,400 81
Disbursed during the year	1,046,350.41
Leaving a balance of	$170,044 42
as of September 30th, 1861.	
Probable demands upon the Treasury for the current fiscal year	$1,000,000.00
Amount of sinking fund on the 30th of September, 1860	$4,823,229.35
Accumulation therefor during the year	231,189 62
Showing the actual sinking fund to be on the 1st of September, 1861	$5,054,418.37
Remaining to the credit of the fund September 30th, 1861	$49 919 62

More detailed information in regard to the condition of the Treasury can be readily obtained by you on application to the comptroller.

It is undoubtedly a strict duty, and also due to the pride and honor of the State, that you make immediate provision for raising and equipping Maryland's quota of the five hundred thousand volunteers called for by the President under the act of Congress authorizing him so to do. I believe that quota can be raised without difficulty so soon as you shall advance the money to pay the expense of recruiting and equipping the troops.

In reference to this subject, I need offer no suggestions as to details. We can find the patriotic example in our own Statute Book, at the first and subsequent sessions of the General Assembly of this State in 1777, by which ample provision was made for recruiting, equipping and clothing the quota of this State in the army of the United States, and for furnishing relief to the families who needed it of those who had volunteered in defence of the Government.

At the March session of 1778 was passed an act (chap. viii) for the better security of the Government, to which I respectfully invite your attention. The preamble recites that the duties of protection and allegiance are reciprocal; and whereas no man is entitled to the one who denies the obligation of the other, the law prescribes the oath of allegiance to this State and to the United States, to be taken, repeated and subscribed by every citizen of this State under the penalties (in case of recusance) and disqualifications therein stated. A thorough revision of the militia law and reorganization of the State military is an imperative necessity at this time.

The anomalous condition of the municipal government of the city of Baltimore demands immediate action on your part. The police force of that city now receives its pay from the United States Treasury, and it is obvious that such a state of affairs should be permitted to exist no longer.

I transmit herewith a copy of a communication received from the Department of State, at Washington, in reference to fortifications within the limits of this State. I deem the subject to be of great importance, and I trust it will receive at your hands the consideration which it deserves.

I respectfully suggest the propriety of the re-enactment of former laws for the summary punishment of persons in Maryland who shall be convicted of aiding or abetting, in any manner, those who are in arms against the Government.

It is undeniable that, notwithstanding the careful watch kept by the Federal officers, there are, in our midst, sympathizers with and abettors of the rebellion, who, in some way, keep up communication with and give aid and comfort to the Confederates.

Let us endeavor to put an end to these nefarious practices by inflicting severe punishment upon these offenders against the peace of this State as well as against us. Such a course will also measurably relieve loyal citizens, in many parts of the State, from the numerous annoyances and persecutions to which they have been so long subjected at the hands of their secessionist neighbors, and which have undoubtedly increased to their present embarrassing proportion because of the impunity with which men have heretofore been allowed to act treasonably.

The object and intention of the Government in the war forced upon it in defence of the Union, as declared in the patriotic Proclamation of General Dix at rest ring the flag in the counties on the Eastern Shore of Virginia, and of General Sherman, in South Carolina, are entitled to and will receive the support of our people.

The condition of the Baltimore and Ohio Railroad and of the Chesapeake and Ohio Canal requires action on your part. The re opening of these great works to traffic and travel is of immense importance not only to the people directly, but as bearing on the future of our financial resources. The Statement made by the President of the Baltimore and Ohio Railroad Company is herewith submitted.

Other topics of less importance not necessarily requiring immediate attention will be presented in detail in my communication to you at the opening of your regular session.

In conclusion, gentlemen, I congratulate you, and the people of the State, upon the immunity we have enjoyed from the dreadful evils which have fallen upon some of the other States. War, carnage and desolation have stalked through Virginia, Tennessee and Missouri, we here in Maryland have had no battle fields, no destruction of homes, no outrages upon helpless women and children.

True, in every section of the State rancor and deadly hatred, and in some cases even judicial persecution, have been openly indulged against those whose only offence is loyalty to the Government. But this hatred, bitterness and persecution have not yet culminated in bloodshed. The tread of hostile armies has not yet been heard with the calling of the husbandman, but the earth has yielded more bountifully than ever before.

If the thunders of war can be heard upon our borders, if our industrial pursuits have been prostrated to peace in our midst, by the presence of competition, the rellrads between Baltimore and New York. The sum of six dollars was charged upon that route for the transportation of each soldier from New York to Baltimore.

As this 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 expediency 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 33⅓ 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. It is, however, whenever, 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 sidetracks and facilities at Annapolis and along the branch road.

Should the navigation of the Potomac river be interrupted by blockades 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 for the health and comfort of the 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 work, upon condition that the Government will endorse their bonds; they loaning the money to establish 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 one cent 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 3¾ 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 compensate for all liability, and give facilities for reaching the National Capital, and at much less rates than they are now compelled to pay. The cities of the District it would cheapen the cost of supplies, and provide healthy competition in every respect.

I recommend that a railway be constructed through this city, from the Navy Yard, by the Capitol, to Georgetown, connecting connections with the existing railroad depots, and using the aforesaid bridge for the purpose of crossing the river at Georgetown. By adopting 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 by means of the London and Hampshire railroad, from the Baltimore and Ohio railroad near Harper's Ferry, to the Potomac, a work to be saved in a few months by enabling the Government to dispense with the expensive ferry at Georgetown, and by greatly decreasing the necessarily 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 thus seriously injured. 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 re opened 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 Government 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 re build portions of the Orange and Alexandria and the London and Hampshire Railroads, a course that appealed to the noblest impulses of our people.

In April 75,000 volunteers were called upon to enlist for three months' service and responded with such alacrity that 77,875 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. 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.

DISCIPLINE OF TROOPS.

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 that efficiency which cannot fail to bring success to our arms. Officers and soldiers 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 REBELLION AND ITS RESULTS THUS FAR.

The conspiracy against the Government extended over an area of 733,144 square miles, presenting a coast line of 3,623 miles, and a shore line of 29,374 miles, with an interior boundary line of 7,031 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 was 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, to which the impatience of the country demanded. The betrayal, by traitors, of our movements by traitors in our midst, enabled the rebels to close and intrench their position, and by a reinforcement in great numbers, at the moment of victory, to snatch it from our grasp.

This reverse, however, gave no discouragement to our gallant people; they have crowded into our ranks, and although large numbers have been necessarily rejected, a mighty army is in living array stands eager to precipitate itself upon the foe. The check that we have received upon the Potomac has, therefore, but postponed the consummation, 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.

THE BORDER SLAVE STATES.

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 unprovoked 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.

A DEMONSTRATION ON THE POTOMAC PROMISED.

Thus it has been made clearly apparent, that in what ever direction the forces of the Union have extended their protection, the repressed loyalty of the people, irresistibly manifesting itself, has aided to restore and maintain the authority of the Government. I doubt not that the army now assembled on the banks of the Potomac will, under its able leader, soon make such a demonstration as will re-establish its authority throughout the rebellious States.

THE SPRINGFIELD ARMORY—CONTRACTS FOR ARMS ABROAD.

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 past month of October, a total of 6,000 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.

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.

A NATIONAL FOUNDRY RECOMMENDED.

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.

REORGANIZATION OF THE MILITIA.

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, which occasion demands it may be converted into a vast army, confident in its discipline and unconquerable in its patriotism.

FRONTIER DEFENCES.

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 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.

INCREASE OF CADETS AT WEST POINT.

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 500. It is not necessary, at this late day, to speak of the value of educated soldiers.

CONSOLIDATION OF VOLUNTEERS AND REGULARS.

I recommend that the system of promotions which prevails in the regular service be applied to the volunteer forces in the regular service.

By existing laws and regulations an 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 military spirit, limit the opportunity for distinction of volunteer officers, and should be changed. It can be made by which seniority of commission should confer the right of inferior 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 forces, and yet interfered with war, which, combining both forces, would constitute them one grand army of the Union.

RAILROAD MATTERS.

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 six dollars was charged upon that route for the transportation of each soldier from New York to Baltimore.

As this 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 expediency 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 33⅓ 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. It is, however, whenever, 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 sidetracks and facilities at Annapolis and along the branch road.

Should the navigation of the Potomac river be interrupted by blockades 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 for the health and comfort of the 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 work, upon condition that the Government will endorse their bonds; they loaning the money to establish 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 one cent 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 3¾ 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 compensate for all liability, and give facilities for reaching the National Capital, and at much less rates than they are now compelled to pay. The cities of the District it would cheapen the cost of supplies, and provide healthy competition in every respect.

I recommend that a railway be constructed through this city, from the Navy Yard, by the Capitol, to Georgetown, connecting connections with the existing railroad depots, and using the aforesaid bridge for the purpose of crossing the river at Georgetown. By adopting 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 by means of the London and Hampshire railroad, from the Baltimore and Ohio railroad near Harper's Ferry, to the Potomac, a work to be saved in a few months by enabling the Government to dispense with the expensive ferry at Georgetown, and by greatly decreasing the necessarily 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 thus seriously injured. 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 re opened 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 Government 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 re build portions of the Orange and Alexandria and the London and Hampshire Railroads, a course that appealed to the noblest impulses of our people.

In April 75,000 volunteers were called upon to enlist for three months' service and responded with such alacrity that 77,875 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. 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.

DISCIPLINE OF TROOPS.

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 that efficiency which cannot fail to bring success to our arms. Officers and soldiers 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 REBELLION AND ITS RESULTS THUS FAR.

The conspiracy against the Government extended over an area of 733,144 square miles, presenting a coast line of 3,623 miles, and a shore line of 29,374 miles, with an interior boundary line of 7,031 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 was 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, to which the impatience of the country demanded. The betrayal, by traitors, of our movements by traitors in our midst, enabled the rebels to close and intrench their position, and by a reinforcement in great numbers, at the moment of victory, to snatch it from our grasp.

This reverse, however, gave no discouragement to our gallant people; they have crowded into our ranks, and although large numbers have been necessarily rejected, a mighty army is in living array stands eager to precipitate itself upon the foe. The check that we have received upon the Potomac has, therefore, but postponed the consummation, 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.

THE BORDER SLAVE STATES.

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 unprovoked 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.

A DEMONSTRATION ON THE POTOMAC PROMISED.

Thus it has been made clearly apparent, that in what ever direction the forces of the Union have extended their protection, the repressed loyalty of the people, irresistibly manifesting itself, has aided to restore and maintain the authority of the Government. I doubt not that the army now assembled on the banks of the