Destruction of the steamer Scottish Chief and sloop Kate Dale, in Hillsboro River, Octover 16-17, 1863.

Report of Acting Rear-Admiral Bailey, U. S. Navey. U. S. Flagship San Jacinto, Key West, October 24, 1863.

SIR: I have to report the destruction of the block-ade-running steamer Scottish Chief and of the sloop Kate Dale, in Hillsboro River, by an armed expedition from the U.S. gunboats Tahoma and Adela.

Having learned that these vessels were loading with cotton and about to sail, and being apprehensive that by reason of their light draft they would escape the blockading vessel, I sent Lieutenant Commander Semmes to Tampa Bay to destroy them.

It was planned between myself and Captain Semmes that he should, with the Tahoma, assisted by the Adela, divert attention from the real object of the expedition by shelling the fort and town, and that under cover of the night men should be landed at a point on old Tampa Bay, distant from the fort, to proceed overland to the point on the Hillsboro River where the blockade runners lay, there to destroy them.

This plan was successfully carried out, but not without a considerable loss.

On the 16th instant the Tahoma and Adela ran in abreast of the batteries and shelled them slowly during the day; the firing was in an unusual degree accurate and precise.

At dark, as soon as the moon went down, a force consisting of Acting Ensigns J. P. Randall and J. G. Kowhler, with 60 men from the Tahoma, and of Acting Ensigns Strandberg and Balch and Acting First Assistant Engineer (George M.)

Bennet, with 40 men from the Adela, and Acting Master's Mate Crane and Mr. J. A. Thompson, guides, was landed at Ballast Point.

The expedition was under the immediate command of Acting Master T. R. Harris, executive officer of the Tahoma.

The line of march quietly taken up for the river, under the guidance of Mr. J. A. Thompson, who, being too ill to walk, was borne in a litter. A march of 14 miles (rendered circuitous by the necessity of avoiding houses, creeks, etc.) brought the party before daylight to the river bank. As soon as it was light the vessels were discovered on the opposite bank;

The force was therupon moved to a point opposite where they lay, and those on board brought under aim of the rifles and ordered to send a boat, which they did. A detachment thereupon was sent to bring over the vessels and to make prisoners of those on board.

At this time two men succeeded in escaping from the vessels, who carried the alarm to the garrison. The vessels meantime were fired effectually and the force thereupon set out upon its return. Encountering an armed party near the beach, a charge was made, and two rebels made prisoners.

The beach finally was safely reached without loss, and pickets were stationed and the party rested, waiting the arrival of the boats, then being dispatched from the Tahoma and Adela.

While so resting, word was brought that a detachment of cavalry and one of infantry was advancing; the party was formed to resist an attack, and the boats having arrived

the embarkation commenced.

While this was proceeding the rebels opened fire. The first and second divisions, with 7 prisoners, proceeded in an orderly manner to the boats; the third division (spread out, that the rebels might not fire into a mass) returned the fire energetically and with great coolness and bravery.

The Adela meantime shelled the woods (in which the rebels were concealed and from which they fired) with shrapnel. The first and second divisions having embarked, the rear guard, on receiving the order so to do, followed.

This rear guard stood nobly to their post, protecting the retreat under an extremely severe fire from a concealed enemy-loading and firing with the coolness of target practice, and finally leaving quietly at the word of command, bearing with them their wounded.

The rebels were under the command of Captain (late U.S. Senator) Westcott, and were so-called regulars.

The retreat to the boats was admirably conducted by

Acting Master Harris, and the expedition throughout was characterized by a disciplined courage on the part of both officers and men. The force suffered severely at the beach, and both courage and discipline were called for.

Our loss was as follows:

Killed.-James Worrall, seaman, Tahoma; John Roddy, seaman Adela; Joseph O'Donnell, seaman, Adela.

Ten were wounded (including Acting Ensigns Randall and Koehler), two seriously. Five were made prisoners.

In reporting these losses Lieutenant-Commander Semmes observes:

I regret sincerely our loss, yet I feel a great degree of satisfaction in having impressed the rebels with the idea that blockade-running vessels are not safe, even up the Hillsboro River.

I am, respectfully, your obedient servant,

Theodorus Bailey,

Actg. Rear-Admiral, Comdg. East Gulf Blkdg. Squadron. Hon. Gideon Welles,

Secretary of the Navy.