Amongst the documents herewith inclosed, is a copy of the instructions, furnished from the Department of War at Washington to the officer commanding the United States' troops to be placed in the Disputed Territory. Mr. Webster has desired me to consider this paper as being communicated in confidence. I think that, under these instructions, sufficient security is afforded against any further American intrusion into the Madawaska settlements, whether to the south or north of the St. John's. In my letter to Mr. Webster of the 6th instant, before referred to, I have been especially careful to reserve to Her Majesty's Authorities the right of jurisdiction over the whole of the Madawaska settlements, with that of stationing troops in any part of those settlements, on either bank of the river, where it may be found necessary for the protection of the inhabitants.

1 learn from Reports in the newspapers, that the two companies of United States' troops, appointed to occupy the posts on the Aroostook and at Fish River, left the American station of Houlton, in Maine, for their new destination on the 31st of last month. The orders, therefore, which, in consequence of my communications with Mr. Webster, were despatched from hence on the 2nd instant, to suspend the movement, will, as I apprehended, have arrived too late.

will, as I apprehended, have arrived too late. I should be in daily expectation of receiving further communications from Lord Sydenham upon the subjects treated of in this despatch, if it were not for the very severe accident which I lament to hear his Lordship has suffered by a fall from his horse.

I have, &c., (Signed) H. S. FOX.

Inclosure 1 in No. 35.

Lord Sydenham to Mr. Fox.

Government House. Kingston, August 28, 1841.

Sir,

SINCE I had the honour of addressing you on the 3rd instant, on the subject of the negotiations for the temporary occupation of the Territory in dispute with the United States, I have received from the Commander of the forces, who is at present at Montreal, a despatch, with inclosures, of which I now transmit copies for your information, as well as of my reply to him; and also of a communication, which, in consequence, I deemed it right to make to the Lieutenant-Governor of New Brunswick. I have since received a despatch from the latter, written before his receipt of mine, of which I also inclose a copy upon the same subject.

You will perceive from this correspondence, that reports are rife upon the frontier, of the immediate occupation by the troops of the United States, of the fort at the mouth of the Fish River; reports which, I am willing to believe, originate in the negotiations now pending, rather than from any orders actually given to that effect by the Authorities at Washington.

I cannot, indeed, think otherwise, without supposing, that there exists a degree of bad faith on the part of the Government at Washington, of which I should be unwilling to suspect it. Since the issue of those orders would be, in fact, to carry into execution measures which the Secretary of State is, at the very same time, professing his willingness to make matter of negotiation: and it is needless to remark upon the wide difference which there is between the occupation of the post at Fort Jarvis by regular troops, if forming part of a general arrangement, containing many other provisions, and the same act taken singly, and, above all, executed without previous concert or consent.

The despatch which you will have received from Viscount Palmerston, under date the 19th of July, will have exhibited the feeling of Her