

"I then assembled the boats off the point of the Island, and dropped quietly down upon the steamer; we were not discovered until within twenty yards of her, when the sentry upon the gangway hailed us, and asked for the countersign, which I told him we would give when we got on board; he then fired upon us, when we immediately boarded, and found from twenty to thirty men upon her decks, who were easily overcome, and in two minutes she was in our possession. As the current was running strong, and our position close to the Falls of Niagara, I deemed it most prudent to burn the vessel; but previously to setting her on fire, we took the precaution to loose her from her moorings, and turn her out into the stream, to prevent the possibility of the destruction of anything like American property. In short, all those on board the steamer, who did not resist, were quietly put on shore, as I thought it possible there might be some American citizens on board. Those who assailed us were of course dealt with according to the usages of war.

"I cannot speak too highly of the conduct of the officers and men who accompanied me; their coolness and bravery shows what may be expected from them when their country requires their services. Where all behaved so well, it would be invidious in me to particularize any one; but I may be excused for mentioning the gallant conduct of Lieutenant Shepard McCormack of the Royal Navy who nobly seconded me, and had to encounter several of the pirates in the fore part of the vessel, by which, I regret to say, he has received five desperate wounds. We have also two others wounded; and I regret to add, that five or six of the enemy were killed. A return of our wounded I beg to subjoin.

"I have, &c.,

"(Signed) ANDREW DREW,
"Commander in the Royal Navy.

"P.S.—I beg add, that we brought one prisoner away, a British subject, in consequence of his acknowledging that he had belonged to Duncombe's army, and was on board the steamer to join Mc Kenzie upon Navy Island.

"(Signed) ANDREW DREW.

"RETURN OF THE WOUNDED.

"Lieutenant Shepard McCormack, R.N. - desperately.

"Captain Warren - - - - - slightly.

"John Arnold - - - - - severely.

"(Signed) ANDREW DREW."

"Colonel the Hon. Allan N. Mc Nab.
&c. &c. &c.

"Sir,

"Niagara, January 1, 1838.

"The Lieutenant-Governor, on his arrival here, has this moment received your despatch of this day, inclosing to his Excellency the report of Captain Drew, R.N., of the capture and destruction of the piratical steamer 'Caroline,' whilst engaged in the service of the rebels on Navy Island.

"His Excellency desires me to express to you his unqualified approbation of this proceeding, and he desires that you will convey to Captain Drew, to Lieutenant McCormack, and to the other brave volunteers who accompanied him, his thanks for the important service they have rendered this province, and which his Excellency will lose no time in making known to Her Majesty's Government.

"I have, &c.,

"(Signed) J. M. STRACHAN,
"Military Secretary."

"Colonel the Hon. Allan N. Mc Nab.
&c. &c. &c.