allow, all attempts to settle, by unauthorized acts of violence, a question which ought to be arranged by friendly discussion between the two Governments, and with respect to which you will, no doubt, when you receive this despatch, have already entered into communication with General Cass, under the instructions contained in my despatch No. 42 of the 24th ultimo.

I am, &c. (Signed) J. RUSSELL.

No. 4.

Captain Prevost, R.N., to the Earl of Malmesbury.—(Received September 15.)

(No. 7.) My Lord, "Satellite," Esquimalt, Vancouver's Island. July 23, 1859.

WITH reference to my despatch No. 3 of the 6th ultimo, forwarding to your Lordship the copy of a letter, together with my reply thereto, which I had received from Mr. Campbell, the United States' Boundary Commissioner, making inquiry as to when he might look for any further communication from me respecting the water-boundary, I have the honour now to transmit to your Lordship the copy of a subsequent letter which I have received from Mr. Campbell upon the same subject; and also a copy of the answer I have returned, together with Mr. Campbell's acknow-

ledgment of that answer.

2. The object of Mr. Campbell in originating this correspondence seems to me more than conjectural. He evidently would desire to fix upon me the onus of the non-determination, up to the present time, of the line of water-boundary under the Treaty of 1846. But while it stands upon record that I have earnestly endeavoured, by a conciliatory policy, to arrive at a determination that I, although satisfied of the perfect fallacy and utter groundlessness of the claim Mr. Campbell has set up, upon behalf of the Government of the United States, to the Canal de Haro as the boundary channel, have, notwithstanding, offered to meet him by compromise, solely in order that the adjustment of the line might be effected without further hindrance; and while it also stands upon record that Mr. Campbell has firmly refused to move "one inch" from what he has been pleased to lay down as the line of boundary, I do not think there can be two opinions as to the real cause of the non-settlement of the question.

3. It may be Mr. Campbell's policy to prolong matters to the utmost, trusting to time to strengthen his claim—a claim which I can scarcely bring myself to believe can really be entertained by the United States' Government. It will be observed, in all his correspondence, how little he appeals to the Treaty in confirmation of his views, but how prominently he brings forth Mr. Mc Lane and Mr. Benton, as if their enunciations were the Treaty, and as if—whatever the provisions of the Treaty might be—Her Majesty's Government were to interpret it according to the views of those gentlemen. It will be remembered that I pointed out to Mr. Campbell that if Mr. Mc Lane's words were to be adhered to as regards the Canal de Haro being the channel of the Treaty, it could not be disputed that the line of boundary should not quit the continent on the 49th parallel, but that it should be deflected to Birch Bay—both Birch Bay and the Canal de Haro being mentioned with equal distinctness by Mr. Mc Lane in describing what he believed would be the substance of the proposition made by the British Government.

4. The undoubted importance of the British possessions in these

4. The undoubted importance of the British possessions in these parts, and the great accession to that importance which has suddenly been acquired through the discovery of gold in Fraser's river, and the consequent prominent position which it is more than probable British Columbia will soon hold, render it very desirable that this disputed question of the direction of the line of water-boundary should be at once settled. Already are citizens of the United States "squatting" over the Island of San Juan, and striking off their "claims," openly declaring that it