as follows: The frigates President and Pique, the sloop Amphitrite, and the steamer Virago (British), under the command of Rear-Admiral David Price; the frigates La Forte and L'Euridice, the corvette L'Artemise, and the brig L'Obligado (French), commanded by Rear-Admiral Feuvrier des Pointes. On Tuesday they all sailed in a northwesterly direction. I could not learn satisfactorily who was the commanding officer of the entire squadron, as the English and French accounts differed materially on that point, though I presume it cannot be doubted that Admiral Price is the official senior of Admiral des Pointes. It is evident that no great harmony of feeling exists between the different portions of the fleet, and I learn from pretty good authority that a separation will soon be deemed expedient.

On Friday the two admirals and their officers had an audience at the palace which was marked by a circumstance that ought to be mentioned. After the usual courtesies, addresses, etc., were over, the French admiral, on the suggestion of Mons. Perrin, said to the King, through an interpreter, that he hoped there was no thought of alienating the sovereignty of the Kingdom, as such a thing would lead to difficulty and perhaps war with England and France, which it would be for the interest of His Majesty to avoid. The King made no reply whatever.

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Very respectfully, your obedient servant,

DAVID L. GREGG.

Mr. Gregg to Mr. Marcy.

LEGATION OF THE UNITED STATES,
Honolulu, August 7, 1854.

SIR: I am only able to write briefly by the mail which goes this afternoon, being much debilitated by an attack of sickness from which I am just convalescent.

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The Government here rests on a volcano. Its subversion is within the power of the foreign residents, and I am prepared to witness an outbreak at any moment. The dissatisfaction with the present state of things is daily increasing, and a crisis of some sort is inevitable.

On Tuesday evening last there was an intense alarm among the native population on account of the supposed presence of "flibusters." The troops were called out and remained under arms all night. The apprehension seems to have been excited by the discovery of a box of pistols among some goods landed at the custom-house.

I have succeeded in arranging the terms of a treaty of annexation with the minister of foreign relations, which meets the approval of the Crown Prince and cabinet. But it is not yet signed, and I am unable to give you any assurance that it will be immediately completed. The pretense of delay is the supposed necessity of consulting the King, which for sometime has been impossible on account of His Majesty's illness.

The great difficulty I had to encounter was the inveterate prejudice of the Hawaiian authorities against a territorial form of government, which could not be overcome. Finding it impossible to provide otherwise, I finally consented to agree to the admission of the islands as a