

ter success. His Excellency, in his reply, enters into a train of reasoning on the subject of the grant, explains some points, apologises for having attempted to survey the land, and finally asks the people of Honan to suggest a piece of land in lieu of that ceded to Great Britain by China. Not content with this humiliation, his Excellency replies to the memorial refused by Mr. Macgregor, in the form of a declaration, which has been placarded in the Honan villages. In reply to these documents the elders of Honan address Sir John Davis respectfully, taking it for granted that the claim to the building site is not to be pressed; they decline, however, suggesting another eligible place, leaving that to be arranged between his Excellency and the Chinese Commissioner, knowing that, should another locality be fixed upon, the people will oppose and foil the barbarian envoy. It is said, that while his Excellency has been compromising his character as a plenipotentiary, by corresponding with the people of Honan, he at the same time has been demanding from the Imperial Commissioner possession of the land in terms of the "new agreement." We hear, and it is so likely that we are inclined to believe it, that Keying now says—"As you have come between me and the people, negotiating and temporising with the subjects of the Emperor, I cannot now enforce compliance with the agreement, as I would incur all the odium, the people asserting that you would not have forced the point in opposition to their wishes."

The Chinese of Honan think the matter settled in their favour. Their countrymen in Canton are better informed. They look upon the Plenipotentiary's fine letters as deceptive and treacherous. They say—"If Honan has been given up, why retain the troops at Hong Kong?" And being apprehensive of another hostile visit, men of capital will not issue money for commercial purposes, and trade is stagnant. The depression in the city of Canton is represented as being beyond that of any past period. From the highest merchant to the lowest shopkeeper, its effects are working certain ruin. The apprehension of an attack has destroyed confidence and paralysed the energies of the people.

Such being the state of affairs, it may be believed that the hostility towards

foreigners is in no degree modified. The people justly ascribe their distress to the invasion in April; but unfortunately they are not aware that the residents of the factories are in no way responsible for that invasion, or that they disapprove of it entirely.

NEW SOUTH WALES.

Sydney papers, by way of Singapore, have come to hand, reaching to the 8th May. The market price-current shows that the Colony is in a flourishing condition. Wheat was at 4s. 7d. per bushel: the holders of Launceston wheat were holding for 5s. and 5s. 6d. The shipping lists indicate an active trade with London, the South Seas, and New Zealand. Sir Charles Fitzroy opened the last session of the first Legislative Council of New South Wales on the 4th May. The "speech from the throne" on the occasion is described as giving general satisfaction. It congratulated the members on the general condition of the Colony—the abundance, cheapness, and excellent quality, of all the necessities of life—and the flourishing state of the revenue. The slight deficiency in the balance of 1846, as compared with that of 1845, is explained to arise from reduction of taxes, especially two—the assessment on stock for police purposes, and the duties on spirits. The amount now on credit will enable the Government to discharge, in the course of the present year, the whole of the outstanding debentures, amounting to nearly £100,000, which were issued to meet the expenses of emigration in former years. Having thus paid off old scores, Sir Charles stated that he had been induced, at the request of a numerous and highly respectable body of proprietors, to recommend the Colonial-office at home to resume the system of Australian emigration, at least, immediately, to the extent of 5,000 adults. Sir Charles Fitzroy says what may with great propriety be laid by our Mauritius friends before Sir William Gomm. "The experience I have already acquired in the Colony has strongly impressed me with the persuasion that a regular and copious supply of labour, carefully adjusted to the demand, is necessary, not only to promote, but to maintain in a satisfactory state, the chief objects of Colonial industry." Earl Grey has determined to surrender to the Colonial Legislature the