bama case to arbitration and certainly there was no precedent. Lord Chatham would have called it dishonour for the Queen of England to submit to an arbitrator the question whether she herself had been to hame. And it quite comes to that. This is no question of fault or no feult in some subordinate authority. ti in of fault or no feult in some subordinate numerry—some outlying governor, or some eager naval captain,—such points have often been referred to arbitration, and there is no difficults ab ut them. But here we deal with the Cabinet—the Frime Minister the rery Government of the Queen herself. All that was done or not done, was done or not done, by the supreme authority, and there the blame must ret, if blame there he.

hero we deal with the Cabinet the Frime Minister the very Government of the Queen herself. All that was done or not done, by the supreme authority, and there the blame must ret, if blame there be.

But, inverticles, it would have been were to subtilize on this question to aribitrate. The highest functionaries of a State may act wrong? Just as it lower functionaries may act wrong? A nation like if for it comes to that, may act wrong? A nation like if for it comes to that, may act wrong? A nation like if for it comes to that, may act wrong? A nation like if for it comes to that, may act wrong? A nation like if for it comes to that, may act wrong? A nation like if it is not that a nation loses homour by admitting a liability to mistake is a miscilectous of like in the display of power, not in the reality of and intention. Real dignity can admit that it may have been as the mere in truth it may mave been so.

But if two English statesmen have been wrong in dealing with the Alabama quees a., Mr. Schard is now more wrong. American statesmen have been wrong in dealing with the Alabama quees a., Mr. Schard is now more wrong. American statesmen have been wrong in order to gain a point in domest c politics, or, as it is obrased, to make capital out of them. And if Mr. Schard did wish to act thus, he would have written as he has written. Now, he will not refer to arbitration the Alabama case, unless we will refer, too, the question, whether we were right or wrong in the recognition of the South as a billicer at . Lord Stanley arguesthat the South clearly as a billigh antioner, he will not make a creat war, there nover was a great war in this world, that the American Courts have, in this very case, sanctioned this very doctring have, in this very case, sanctioned this very doctring have, in this very case, sanctioned this very doctring that they have declided that the recussion of the South refer to the result of the right of blockade, amounts to a decarrant

countries, but to keep ready a good ground of mineace for his own.

The stylo of Mr. Seward's despatches has been praised, but we think very under ried y. Our great novelist describes a certain footman's as one who by "those had not seen many noblemen, might be thought "to give a good idea of nobility. Just so, Mr. Seward's writing is what those who have not read many good books would think good writing. It is tawdry, indistinct and diffuse, and has a very dis agreeable air of vanity all through it. I did S anley on the other hand writes like a highly concated man of business, who "calls a spade a spade, and dies not spoil a good expression by using unnecessary words.

The law requiring Collectors of Customs in the United States to publish a quarterly statement of the value and description of the goods remaining in bond, has at last been complied with. A few fgores respecting the quantities of wool &c, held in N w York on the 1st of September, will probably interest Canadian dealers -

Dry Goods in Warchouse at New York on Sept 1, 1867.
Quantity Value
377-41 rom and floors
Wootlen cloths and cassimeres, ID 1,08,119 1,451,180
10 shawls
Do blankets, ib.
Do dress goods, vat 8
Lio manufactures not specificd (2 2/2)
Homn raw tons 2 923 1 1 2,100
Do manufactures of, yards 169,668 2, 169
Flax, manufactures of, square yds . 1,574,720 i
Do, other manufactures
Silk-dress and piece good",) and
Do-manufactures not specialed.
Manufactures of cotton -
Bleached & unbienched, sq yds 1 400,701 277 757
Printed, painted or colored do 3,102 101 301,131
Jeans, denims, dri.lii gs, & do 45 914 2.459
Sianulactures not specified
Guany cloth and guilly bag., of
other manufactures used for bag
ging, 1b 8,510,718 351,663

RAILROAD PROGRESS IN THE SOUTH.

MIE following interesting article is from Hunt's Merchants M gazine .-

Mechants M ga.me.—
While all eyes are anxiously furned towards the South, wishing for that day when political union shall again be perfected and its blessing realised, it becomes of special importance to know whether any, and it so what industrial progress is being made in that section of the country Reconstruction, to be of much value, must begin with or fluid its chief support in a ravial of business enterprise. Fence no better indication of the progress towards an effective re-union can be desired than is furnished in it o rapid railroad development now taking placed in many of the Southern development now taking place in many of the Southern

can be desired than is infinished in the property of the southern states.

When the civil war arrested progress in Southern railroads, there were leads miles of read building or actually completed in the fourteen slave holding states. On the 1st of January last there were its 42 miles in progress or completed in these States, and at the present time there are nearly 5,000 miles of read in course of construction, the completion of which is pushed torward with an energy that is only limited by the supply of capital. Many of the new lines are of great importance, and constitute new lines are of great importance, and constitute new lines are of great importance, and constitute new lines are of great importance and constitute new lines are of great importance, and entire techniques of the country, or elea they form branch lines in connection with old established reads. Perhaps the most extensive of these new enterprises are in texas. Since the close of the war, great activity has been manifested in this particular in that state, and at present there are of great importance, and will open up the resources of the richest part of the State to Commerce the Lexas Central, to be flushed probably in 1888, asteries a rich wheat growing region, and will ultimately connect with the Indian nation—soon to be opened to civilization—with hansas and with this streat l'actic line to California. Branch lines are to the united of the interior of Lexas within reach of the Culf ports. It is also in contemplation to construct a ship canal from Houston to talveston lay. The route has been mained that a canal

ports. It is also in contemplation to construct a ship canal from Houston to Galveston Bay. Thoroute has been already surveyed, and it is estimated that a canal to rect wide and 12 feet deen can be constructed at a cost of 5500,000 in specie. This will provide a much needed on let to tho sea for the commerce of the interior of 1628s, and its completion will soon be a commercial necessity, owing to the rapid development of the Siste.

terior of Texas, and its completion will soon be a compared increasity, owing to the rapid development of the State.

Next to Texas, the most important railroad enterprises occur probably in Virginia. This State has been foremost in all works of internal improvement since the war, and considering the hindred resources and credit at her disposal, it must be admitted that immense progress has been made. Last week the Virginia Central haurosid was opened to Covington, where it councies with the Covington and Ohio Railroad, the first step towards uniting Louisylie and Cincinnati with Richmond and Norfolk. This is a most important work on account of the connecting links that will bring so large a portion of the natural resources of Virginia within reach of both a home and a foreign market—for the establishment of a directing of steamships between Norfolk and Europe is an important event of recent Virginia development. A between the kanawha region and Richmond. The potion of this and incomes that continued a charter to a company for the construction of this road, which has been contracted for and soon will be commenced It is intended to tap a region abounding in iron, lead, salt coal, manganess and other minerals, and bring salt coal, manganess and other minerals, and bring its intended to tap a region abounding in iron, lead, salt coal, manganese and other minerals, and bring these products to a market. Virgina is richer than I cans) wann in natural wealth, and the development of this region is one of the important features of progress in that State

gress in that State

Ine Chesapeake and Ohio Railroad, which is a consolidation of these lines designed to connect the commerce of the Ohio and Mississippi with tide water is one of the grandest schemes ever contemplated for the industrial development of Virginia. The city of Richmon dhas subscribed \$2,000 Ohiowards the execution of the wirk. The people of Augusta County srabbut to vote on a proposition to aid it by an appropriation of \$5 0,000. Other counties and cines in the state have already taken stock to the amount of \$3.00. and it looks as if the work would be completed by capital raised exclusively in the State. The extension of the James Rivert anal to the Ohio—thus fording water communication between the west and

potend by capital raised exclusively in the State. The extension of the James River Canai to the Unito—thus fording water communication between the west and to seaboard is also a preject of kindred importance. This was an enterprise that attracted the attention of Washin, too, and was urged by him with great energy as a commercial necessity for the state. But inaction at that time left the prize to be carried off by New York through the construction of the Eric Canal. At present, however, there is a fair probability of the work being completed, as the existing Virginia canal. of which the proposed line is an extension, has fillen into the liands of a French company which, it is said, intends to prosecute the work without delay, as soon as its charter shall have been fully confirmed.

These Virginia railroad and canal enterprises, although of the highest importance on account of their inflence in developing the resources of the country are only subsidiary to a still grander project that is intended to divert to Richmond a portion of the commerce of the Pacific. Richmond Las now direct communication with Memphis. The Ital road from Vernicus to title Rock. Alkansas, will be filmshed within a few months. A Texas company has undertaken the work of building a read that will unite North in Texas and the Rio Grande with Arkansas, General Frement is now pushing a removal through the Mexican provinces of Chibaahua and Sonora, that will contect the Rio Grande and the James River realittle Rock and Memphis, with canymas, in Canfornia, hence, before the expiration of another year

it is expected that Richmond will bein direct railroad

It is expected that Richmond will be in direct railroad communication with San Francisco.

The railroad and canal improvements in the other Southern States are also of considerable importance in Alabama recent arrangements have connected the Will's Vailey and Chat'snooga Railroad with the Chattanooga and New Orleaus line. This road will be completed to the Alabama State line in October next and the cars will be running to Gadsden within loght months. A short link of dymics—which is now being graded will then connect Selma with Chattanooga I his road will one up the grain lands of Alabama to the great Northern and Western market, and will impart new energy and industry to one of the finest sections of country in the Union. The Charleston, Alianta, Memphis, Topeka, and the New Coosa River near Cadeden, and that place will then become, next to Atlanta, the most important rairoad centre in the interior of the South-western States Leukville and Cincinnan are competing for the commerce of the Cut States, and the capital of thee weathy cities has been available in improving and perfecting the communications with Mobile, Vickburg and New Orleans. Nearly all the Southern cuies are taking measures to extend their rair addrommunications with the interior. Savannah was alm at the first to put in order its old roads and plan new connects us. Charleston has evinced a deed dactivity in the matter, and is once more in direct rair and communications with the interior. Savannah was alm at the first to put in order its old roads and plan new connects us. Charleston has evinced a deeded activity in the matter, and is once more in direct rair and communication with the Mississippi River as Memphis. In a word, from almost every seaport along the Southern coast connections are being effected with one or another of the leading trunk lines that compose the admirable net work of Southern coast connections for the most backward, but the project of repairing the Dismal Swamp Canal, which wait probably be coon completed, with open intal Sa

orn rainroads. North Carolina seems to be the most backward, but the project of repairing the Dismal Swamp Canal, which wait probably be soon completed, with open that Swane to a new career of industry and wealth.

Our limits preclude as from presenting in detail an of even the larger roads projected, and much less can we make room to describe the numerous shorrer enterprises in progress in the Southern States. Enough has been given to indicate that the Southern people has been given to indicate that the Southern people has been given to indicate that the Southern people has been given to indicate that the Southern people has been given to indicate that the Southern people has been given to indicate that the Southern people has been gand exhausting civil war. They have been greatly aided in the work of industrial reorganization by the liberality and wild on of the Government in restoring the military rain o'ds at the close of the war to the original owners on payment of a fair valuation for improvements in the roads and rolling stock indeed, it to not easy to see how any progress could have been made in case a different policy had been adopted by the authorities at Washington.

The vigor thus manifested at the South in opening these great lines of Southern trade is also very important, in that it is innates the restoration of society to a heasting condition, and thus affords effective guarantees for the future. With the establishment of easy intercourse with distant markets, the vexed labor problem was divested of half its difficulties. Io all classes the one resort of industry was the only possibility of the future. In this view, the restoration addiminate and will lead to still higher benefits. Politics and government are dependent upon and controlled by the social and industrial condition. All that is now required is condidence and a curity and when these chall have been obtained, the South will enter upon a new career of prosperity.

The I mited States Economist complains of the dullness and unsatisfactory state of the wool market, but yet admits that business is in a healthy condition, as stocks are not accumulating. Its article on the mar ket prospects concludes as follows -

ket prospects concludes as follows —

It is a long time since we noticed such a struggle in the wool trade between the bulls and bears, though the bulls have been vanquished in overy encounter like fact is business is weak though healthy, manisaturers have seen to commence on fall goods, and that will be speculative. Will they run through the winter up to the fullest capacity, or will they run short time. Western men and wool dealers have not contemplated this contingency, hence they stil hold they wool where it cannot be reached, for mers in the Weslask more for their wool now than it is selling for in the Eastern market.

All kinds of wool are very quiet for this season of

the Eastern market
All kinds of wool are very quiet for this season of
the year, the lower grades are in two long passed by
and the better grades more looked for, but any attempt to advance price results in no sale
The whole matter may be summed up in a lew words,
want of confidence in the future.

A NEW BRUNSWICK CHEESE FACTORY .- The St John *Morning Journal* says.—

John Morning Journal says.—

The choose factory creeted at Sussex is now in fall operati in. During the highe Competiti in it was visited by many persons who were interested in marking its different processes of chee-e-making. The milk is purchased by weight, at about 2 cts. a pound, and the unnity received in the Factory in 18 days was 49,442 pounds. The farmers, at first though the price very low, but we beineve they now regard it as fairly remonerative a d that the crection of a factory will stimulate the production of milk. The cheeses may be seen, of all sizes, in progress of preparation for mirket. We hear that fully \$1,000 of it will shortly be offered to \$1 John purchasors. If it gives satisfaction its consumption will tend to the exclusion of Ametican cheese, at least. The machinery, building, &thave been provided at a cost of about \$3,000. Robert holie, Esq., Messrs. W. & R. Roach, and Messrk. Logan & Lindsay are the proprietors.