

diverted, until it has passed beyond the limits of the Vermont division—facts equally true of trade and travel from the seaboard to the lakes and interior. Holding thus the key of the entire line, the Vermont division cannot fail to secure a liberal and constant share of its earnings. By the terms of the arrangement with the Eastern Railroad, its guaranty of thirty per cent. will be indorsed upon the bonds of the Portland and Ogdensburg Railroad. Montreal will secure new and direct connection by the Montreal, Chambly, and Sorel Railroad, which will supply the extension necessary, beyond the terminus of the Portland and Ogdensburg proper, to make the new route entirely independent and self-controlling. No more important railway combination than that detailed above has been effected during the past year, and none in which the promise for future harmony and profit are equal. The new roads secure the active friendship and support of an established and prosperous line; while the Eastern, already controlling an unbroken system of rail from Boston to Halifax, secures an independent and direct route to Montreal, Ogdensburg and Ottawa, and the right to its full share of the great transportation from the west, by the shortest line from the lakes to the Atlantic. Montreal, by the arrangement, obtains a new, easy, and certain route to its winter ports, selecting either Portland or Boston, and facilities already imperative for its enormous export business. The extent of this traffic may be understood from the fact that the increase of the exports of Montreal during the last four years were over two hundred per cent. greater than during the four years ending in 1860.*

The recent financial panic, the most severe of any in our history, has demonstrated most effectively the security of the bonds of all New England railroads. Of the numerous defaults of interest, not one was made by a New England road, while the coupons of the Vermont division of the Portland and Ogdensburg Road, though maturing in the midst of the panic, were promptly paid in gold. The comparatively small indebtedness

* Except New York, her steam ocean tonnage clearances exceed those of any other city on this continent.