

For two years (from 1846 to 1848) the Bank progressed quietly, meeting however with one mishap, which might have proved serious but for the devotion of the above Directors, who, although not remunerated for the time they gave to the business of the bank, generously subscribed their names to notes to meet a loss which had occurred in the depreciation of City Bank stock.

There was then no stock or accumulated profits to secure the deposits, and losses to be made good had to be assumed by the Directors. This generous act on the part of these gentlemen saved the Bank on that occasion.

In 1848 there occurred a general crisis in financial affairs, and then was seen the wisdom of the originators of the City and District in not lending on mortgages. The Provident and Savings Bank of Montreal, whose funds were largely placed in that kind of security, was forced to suspend payment. This unfortunate event shook the confidence of the working classes in Savings Banks to such an extent that for years they were regarded with much suspicion, and their growth was retarded. As an illustration we may notice that the amount due depositors by the City and District were:

In 1847.....	\$250,702
1848.....	178,241
1849.....	153,770
1850.....	273,994

From this time the progress was rapid, there being a considerable increase in amount every year, with the exception of 1854, 1855 and 1857—years of general depression and financial difficulty and wherein the deposits in Savings Banks showed a diminution.

In 1870 the amount due depositors was \$2,880,769; the number of depositors 9,362; average amount due each depositor \$307.68.