

In conclusion we may observe that the recent riots are very strong "*prima facie*" evidence that the strikers knew themselves to be in the wrong, for a good cause would have had no need for such weapons. If there was abundance of labor to be had at current rates, the strikers were very short-sighted in their demands, and their subsequent lawlessness will not prepossess people in their favor. Men of every class and calling must sooner or later learn the lesson that the laws of supply and demand govern the whole of commerce, whether that commerce consists of products, manufactures or labor.

THE GUARDIAN FIRE AND LIFE ASSURANCE CO.

One by one the fire insurance companies are reporting that an improvement is taking place in the results of their business so far this year as compared with 1892. It is certain that an abnormal condition of affairs cannot become permanent in any business, and the indications are that the turning point has been reached in fire underwriting. The gloomy, if lurid, record of late years seems to have reached a climax in 1893, and the prospects promise a gradual return to a more healthy state of things. In common with its contemporaries, the Guardian has borne its share of the general experience, but, unlike many, it has come out of "the fiery furnace" without any appreciable effect upon its resources, and is now able to report a considerable improvement for the past year. The adverse losses generally experienced in 1893 proved a crucial test of strength to many companies; but so secure and strong was the position of the Guardian that it was able to bear the strain and at the same time to declare a dividend at the rate of $7\frac{1}{2}$ per cent. upon the paid-up capital, the same as in 1892. The Company transacts only a fire business in Canada, and we therefore confine most of our remarks to that branch. The premiums for the year amounted to \$2,833,860, a somewhat smaller sum than was received in the preceding year, owing to the fact that the income for 1892 included the business taken over from the Citizens Insurance Company of this city. Such a large revenue could only be secured by a company of first class standing, and shows the extent of the Guardian's operations and the patronage it receives at the hands of the public. Including interest and profit on investments, the total receipts in the fire account amounted to the large sum of \$2,971,840. The losses for the year were \$1,888,230, a decrease of \$174,885 in amount and of 1.86 per cent. in ratio to premium revenue. Expenses of management, commission, etc., aggregated \$1,005,025, and it is satisfactory to note that a reduction is shown in this item. After adding \$7,500 to the premium reserve for unexpired risks, bringing it up to \$1,548,000, and transferring \$30,000 from the general fire reserve fund, leaving it at \$1,795,000, a balance of \$99,265 was credited to profit and loss account, which then stood at \$391,130. Out of this an interim dividend of $2\frac{1}{2}$ per cent., or \$125,000, was paid in January last, and after allowing for the remaining 5 per cent., or \$250,000, there was a small balance of \$5,880 carried forward.

The Guardian's life business is an important, prosperous and progressive branch of the Company. 665 new policies were issued last year, assuring \$2,397,560, the net amount, after deducting re-assurances, being \$1,988,060, or \$43,615 more than in 1892. The premium income was \$1,049,185, and the total revenue from all sources \$1,572,095. The net claims were \$146,135 less than in the previous year, and amounted to \$904,590; after paying \$134,755 to policyholders in other ways, and \$129,920 in expenses, a balance of \$402,835 was added to the funds, bringing them up to the handsome sum of \$13,382,520, included in which is an investment reserve of \$150,000.

The aggregate assets of the Company amount to the magnificent sum of \$23,306,060, of which \$21,725,520 stands as security for its policy contracts, composed as follows: paid-up capital \$5,000,000, life fund \$13,382,520, and fire fund \$3,343,000, in addition to which there is an uncalled capital amounting to \$5,000,000. No wonder, then, that with such resources at its command the Guardian has been able to pass so easily through the trying times so keenly felt by some of its contemporaries. Under the able and energetic management of Mr. E. P. Heaton, assisted by Mr. G. A. Roberts, assistant manager, the Guardian's business in Canada shows continuous progress and satisfactory results. Last year the net premium receipts of the branch were \$294,310 and the net losses paid \$172,147, or only 58.91 per cent., which is 18.5 per cent. less than the average for all British companies operating here. Omitting the Citizens from the accounts for purposes of comparison, an increase of \$57,663 is shown in the premium income. The amount at risk at the close of the year, \$37,400,004, entitles the branch to a prominent place among the companies doing business in the Dominion. It will be seen that the Company's operations here proved very profitable during the past year, and great credit is due to the management for this happy state of affairs.

THE CASH RESERVES OF A BANK.

The question as to what proportion the cash reserves of a bank ought to be in relation to its circulation and deposits is not one we should regard it advisable to raise a discussion upon. As, however, it has been made the subject of comment in other journals, we have no hesitation in offering some remarks on the topic. We may be allowed first to express regret that the matter was laid before the public in the first instance in a manner well calculated to engender distrust of the stability of our banks, and to discredit the management of them generally. The idea sought to be conveyed was that Canadian bankers, as the saying is, were "sailing too near the wind," or, as we have heard it expressed, were "spreading their butter on too large a piece of bread." In plain words, the charge was made that money which ought to be kept in the till, or otherwise immediately available, was being lent out to swell profits, at the risk of the bank finding itself embarrassed by a deficiency of ready cash to meet an emergency. Such a policy would, of course, be highly censurable, but the evidence adduced did not warrant the indictment. It