

that their aggregate profits last half year were \$855,600, as compared with \$736,750 in first half of 1899. This increase of 16 per cent. occurred in spite of the very serious derangement of ordinary business. The official Gazettes of Natal and Cape Colony give the following banking returns for June, 1899 and 1900:

	June, 1900.	June, 1899.	Increase or Decrease.
Cape Colony.	\$	\$	\$
Circulation.....	6,210,000	4,625,600	Inc. 1,584,400
Deposits.....	17,254,000	16,687,000	Inc. 567,000
Current accounts.....	39,664,000	21,621,000	Inc. 15,043,000
	<u>\$63,128,000</u>	<u>\$45,933,600</u>	<u>\$17,194,400</u>
Cash and securities..	26,117,000	19,450,000	Inc. 6,667,000
Discounts.....	16,312,000	18,388,000	Dec. 2,076,000
Loans.....	10,429,000	9,621,000	Inc. 808,000
	<u>\$52,858,000</u>	<u>\$47,459,000</u>	<u>Inc. \$5,399,000</u>

For the banks in Natal, where such prolonged operations took place against the invading Boers, the figures are as follows:—

	June, 1900.	June, 1899.	Increase or Decrease.
Natal.	\$	\$	\$
Circulation.....	1,595,400	929,800	Inc. 665,600
Deposits.....	2,587,600	3,540,000	Dec. 952,400
Current accounts....	16,698,500	11,356,400	Inc. 5,322,100
	<u>\$20,881,500</u>	<u>\$15,826,200</u>	<u>\$15,035,300</u>
Cash and securities..	9,104,000	5,259,000	Inc. 3,845,000
Discounts.....	3,847,400	3,780,200	Inc. 67,200
Loans.....	7,265,800	6,010,100	Inc. 1,255,700
	<u>\$20,217,200</u>	<u>\$15,049,300</u>	<u>\$5,167,900</u>

In the two South African colonies there has been an accumulation of funds in the form of deposits on time and balances to credit of customers, to extent of \$19,979,700 since July, 1899, really since the war broke out a year ago this month.

The banks in Natal and the Cape have increased their stock of government bonds since October, 1899, by two millions of dollars, which indicates their confidence having never been shaken in the outcome of the war being victory for the Imperial troops. A heavy business has been done in supplying the troops with colonial products, the payments for which caused the credit balances in the banks to increase \$20,365,100, or about 55 per cent. When peace is established, and trade resumes its more natural conditions, the funds left in the banks of South Africa, so far as the old colonies are concerned, will be of signal advantage in helping to develop their local enterprises. In the Transvaal a mining boom is being anticipated, out of which some who have been fighting will reap probably large rewards when they settle down at Johannesburg and other centres of activity. For some years there is every prospect of South Africa enjoying a time of prosperity and development.

FUTURE OF FIRE INSURANCE.

In discussing the future of fire insurance, a writer in "The Insurance Record" (Eng.) makes a most interesting comparison between the conditions of the business at the present day and those of fifty years ago. Many of his readers may dissent from the contention that competition has brought about a decline in individual prosperity and individual honesty, and has incidentally led to a mad scramble for business "upon utterly unscrupulous lines." But, in a search for the causes which have produced so much that is unsatisfactory in the business as now conducted, the "Insurance Record" grapples with the subject boldly and vigorously, and in a manner which must set fire underwriters thinking seriously of the future of a great and ever-increasing business. We reproduce the article in full:—

"Conjecture is always, of course, more or less speculative; but probably the most speculative of conjectures are those which relate to the future. Not one of us is in a position to say what a day may bring forth; hence the humorous caution never to prophecy unless you know. There is only one basis worthy of being called reasonable upon which speculation as to the future can be founded; that of historical analogy. History is said to repeat itself; and, although the proverb may not be strictly true in the concrete, it frequently proves its veracity in the abstract. That is to say, although the repetition is rarely, if ever, produced in accurate detail, it often involves, at all events, a general resemblance. It need hardly be said that the process of reasoning from historical analogy is not infallible; yet it may sometimes be possible to see, as in a glass dimly, a shadowy reflection of past events, which some may call prescience, but which, in reality, is deduced from observation of the past trend of events under a given set of circumstances.

"Whether it is possible to forecast the future of fire insurance by this process of analogical reasoning is a question upon which, undoubtedly, there will be more than one opinion. For, without depreciating the efforts of those who claim great antiquity for the practice of fire insurance, the business, as we now understand it, was not in operation, even in its crude form, before the closing years of the eighteenth century. It may be considered, therefore, as quite a modern institution, which, although it may have passed through a variety of changes during the past century, has, hardly even yet, had a history from which its future could easily be deduced. Half a century ago we know that the business was conducted with practically no co-operation, and with but little practical guidance. Very soon after that date, however, it was generally felt that both were, in some measure, desirable; and a nearer approach to unity amongst the offices resulted than any that had previously been attempted. Facts will, we think, bear us out in the statement that, prior to that period, fire underwriting, as a whole, had been extremely profitable. Indeed, there is striking evidence that it was so, in the large reserves which the offices were then enabled to put aside. Yet, curiously enough, the average rates of premium were on a much lower level than those of to-day. So low were they, indeed, that the mere citation of some of them could not fail to afford vast amusement to the modern fire insur-