

is common in England. Marble is so plentiful and so cheap that it is really no luxury at all to use it in a good building; it is commonplace. In England, where it is imported, this is a different matter. We believe that good tools, plentiful light and air, and reasonable space, all conduce to efficiency of operation; very few offices have more than these and many have not even these. The time has gone by when we expect the best results from cramped, ill-equipped offices. It should be remembered also that the buildings owned by foreign companies have financially proved excellent investments.

"As to the salaries paid, it must be borne in mind that the cost of living is vastly more expensive here than in England. Also it must be borne in mind that we are the creatures of our environment. The insurance business in this vast country simply cannot be done on the methods which are found effective in a small, highly concentrated country like Great Britain. If we cease to have men of intelligence and ability to travel in the field and to pass upon the business in the office, we invite speedy and sure disaster. We can only obtain such talent by open competition with merchants, manufacturers, bankers, lawyers, etc. So soon as we endeavour to get under the general market level, our efficient men leave us for other channels, which are always open to them.

"I quite believe that the whole financial, corporate and mercantile atmosphere is impregnated with extravagance, brought about by the hugely rapid development of material prosperity in this country; but the conditions exist, and if any individual company or even any group of companies, undertake to defy these conditions they will meet with disaster. The prudent manager, therefore, is reduced to vigilant watchfulness to see that he keeps as near to the market line as possible, and is very lucky if he can get under it to any appreciable extent. It is a curious fact that our critic has failed to put his finger on the most vulnerable point of criticism, which is the exorbitant cost of commission to obtain business, averaging, as it did 21.45 p.c. for all companies combined in 1905."

#### ROYAL INSURANCE COMPANY.

The Royal Insurance Company, we understand, are about to erect a first-class modern building in San Francisco. They have purchased new property adjoining the lot occupied by their building, which was burned in the recent conflagration, at a cost of \$2,500 per front foot. The combined lots will give them a good area for the new building.

The losses of the Royal & Queen Insurance companies by the recent conflagration exceeded \$6,500,000.

Claims to the extent of nearly \$6,000,000, have already been adjusted and paid by these companies in San Francisco.

#### PROMINENT TOPICS.

ASKED WHETHER IN HIS OPINION the public discriminate much between fire insurance companies paying San Francisco losses promptly and those which are slow, a prominent underwriter, who for years was a local agent, said he thought not. Said he: "Ten chances to one the average business man will not ask any questions or would not know it told whether he was carrying insurance in this or that company. He goes to the agency and says that he wants a certain amount of insurance on a certain piece of property, and the agent fixes it up for him and he goes away satisfied. He trusts to the agent that the company can pay its claims, and generally he is right. With the average layman the chances are that the more he studied the situation the more puzzled he would be. That is one respect in which the fire insurance business differs materially from the life. There is no squabble over the largest company or the one paying the biggest dividends. It is a case of protection. Lately, of course, there have been more inquiries than usual by people placing insurance as to the manner in which a company is paying its losses in San Francisco, but in the long run the public is not particularly interested even in this respect."

THE CUBAN REVOLUTION (if it be not too early to dignify it by that name), has naturally raised the question whether or not the United States Government should once more undertake to pacify the Island. Undoubtedly, if the Cuban Government can put down the insurrection unaided it would be better to allow it to do so, but if assistance is necessary there is no reason whatever why the United States should not help the Cuban Government to maintain order.

THE ATTITUDE OF THE UNITED STATES with reference to Cuba was defined in the resolution of Congress recognizing its independence. This reads: "That the United States disclaims any disposition or intention to exercise sovereignty, jurisdiction or control over said island, except for the pacification thereof, and asserts its determination, when that is accomplished, to leave the Government and control of the island to its people." The American people owe it to themselves to see that the work of "pacification" is complete and all the more so as there are suspicions of the revolution being encouraged by American annexationists.

NEW YORK WATER WORKS.—Comptroller Metz, of New York, announces that Mayor McClellan's scheme for new water-works costing \$160,000,000 will have to be indefinitely postponed unless he can devise a plan for raising the money. As the Water Board has arranged to grant contracts within six weeks for thirty miles of the new aqueduct