life fairly, at about the same age, with about the same qualifications, etc. There it may be asserted that it is not unfair to fix the basis of contribution as at age of entry; but it could also with equal justice be asserted that a fixed annual payment would be fair to all. If this system of benefits and contributions is adopted, then the contribution should vary with each age at entry and not, as is sometimes done, charge four per cent for ages twenty to twenty-five, five per cent for ages twenty-five to thirty, etc. There can be no excuse for such a graduation of contributions. If anyone asserts that a matter of ten per cent of his salary is unimportant, just ask him for that amount. I notice in the Report recently published by the City of New York Pension Commission that a scale of contributions showing the different rate for each age at entry is given; and it is intended for those in the service that a different rate for each age and each period of service will be used. Three of the leading actuaries in America advised the Commission.

I have expressed a preference for the "average salary" while admitting its defect. For the same gross contribution I think on the whole the benefits are more satisfactory. A larger benefit will be given in the event of ill-health in early years, failing in which I think most superannuation schemes are weak. I would further supplement the allowance in the case of employees with children, as I shall explain later. My main reasons for favoring this basis is that I see no outstanding objection to it, and under this method it is possible in practice to arrange the basis of contribution so that it can be fairly asserted that the contributions are fair as between one employee and another, based on the known facts, no matter in what grade, class or department. In order to give a simple illustration of the principle, let us take a parellel case. An employer decides to pay the dependents of an employee one year's salary at his death, the employer bearing half the cost. The method which, perhaps, most naturally suggests itself of assessing premiums to employees is to charge an employee at time of entry half the premium at his then age for a life insurance equal to his then salary. If no increase is ever made in his salary, no change would ever be made in his contribution. If, however, an increase of, say, two hundred dollars, is made in salary at the end of, say, five years, evidently the amount payable at his death any time subsequently will be increased by two hundred dollars, and the natural course would be to charge him with half the premium at his then age, not at age of entry, for a new insurance of the two hundred dollars. Similarly for any subsequent salary increases. In a like manner when benefits are based on the average salary, it is known in advance what benefit will accrue in event of retirement at any age, based on the salary at entry. Consequently the employee's proportion of cost in respect to that salary may be equitably assessed in accordance with his age at entry. Similarly any increase would be treated as a new salary and the proper contribution assessed according to the age at which the salary increase is received. Likewise for all salary increases. On this basis equity is maintained between individuals at the same age and at the various ages, on the same principle as equity is maintaind between the individual policyholders in an insurance company. It is important that employees feel that they are treated equitably on some basis which appeals to them. Equity is, perhaps, after all, a point of view, and it is essential to look at the matter from an average viewpoint and be guided accordingly. The evidence given before the Railway Superannuation Committee of England in 1911 goes to show that sometimes at least employees become most decidedly dissatisfied with a system of contributions fixed as at age of entry, when benefits are