

the Parliamentary standard, and the "increase of capital" and putting it on a dividend paying basis of 8 per cent. per annum, were interwoven with each other for the profit of the shareholders and against the lawful rights and interests of the policyholders.

It is further alleged that the Act of 1879 was passed word for word as drawn by counsel and approved by the founders of the Company, and there was no mistake in that legislation. In fact it was so simple that a child might understand it.

to per cent. of the profits would, of course, pay a high rate of interest on \$125,000.

But to per cent. of the profits would only pay a low rate of interest on \$1,000,000.

The contracts called "Life Policies" were all issued from 1879 to 1900, and paid for and received on the faith of the paid up capital of \$125,000, and of this legislation to distribute the profits in the proportion of 10 per cent. to shareholders and 90 per cent. to policyholders.

An examination of the official records indicate that the dividends which have been paid from 1879 to 1900 on the capital of \$125,000, were approximately equal to ten per cent. of all the profits realized from the entire business of the Company.

There was no mistake whatsoever in the legislation of 1879, and even if there were a mistake it cannot be amended now as against the existing contract rights of the policyholders.

It is manifest that the mistake happened when the President thought he could call up other \$875,000 of capital and put it on a dividend paying basis of eight per cent. per annum, and additional profits, and (1) make a large immediate cash profit on the transaction at the cost of the policyholders, and (2) mortgage the profits of the policyholders for all time to come to pay a perpetual dividend to the shareholders.