

due to the State, certain of the Banks claimed to appropriate to themselves, or their taxable Stockholders, the benefits resulting, so far as they were concerned, from this exemption; thus, whilst the Dividends and Interest due to the State were thus exempted from the operations of the National Tax, and whilst by the laws of the State the Stocks held by the State, or for its benefit, or for the benefit of the Schools' Fund in these Institutions, were exempted from taxation, and in the settlement of State Taxes with the Treasury these Stocks were exempted, certain of the Banks from their gross profits, part of which belonged to the State, or to the "Funds," paid this National Tax from the gross fund of the Bank, and paid also State, and in some cases, City Taxes, in like manner, and on the profits thus reduced, declared their Dividends, giving to the State and the "Funds," only the same amount of Dividend paid to other Stockholders who were liable to these taxes, and for whom the Banks paid the taxes before the Dividends were declared.

As the Banks paid no taxes of any kind for the State, or the Stocks held by the "Funds," and did pay from their gross, or united means, for other Stockholders, I claimed that for all such taxes, so paid, they should pay an equivalent, in addition to the usual Dividend to the State. After much controversy upon this subject the Banks, with the exception of the Bank of Baltimore, the Hagerstown Bank, and the Easton Bank, admitted the justice and propriety of the claim made by me, and made settlements upon the basis I claimed.

The three Banks named have not done so, and suit has been brought by the State against the Bank of Baltimore, to obtain from that Bank what is believed to be a legal and just settlement of this question. This suit is still pending.

Many of the accounts of the incorporated Institutions of the State for State Taxes, remain unsettled. Some of these Corporations have paid no taxes for years.

The system of collecting these taxes is a bad one; they are required to pay directly to the Treasurer, and misconceptions in relation to the assessments under which they are to pay, cause many of them to remit a less sum than they should. The Comptroller, with his other duties, can scarcely