

the stockholders. A tax upon this capital is a tax upon the Bank, and we have held that where the capital was invested in the securities of the Government, it could not be taxed, nor could the corporation be taxed as the owner of such securities.

On the other hand, we have held that the shareholders or stockholders by which is meant the same thing, *may be taxed by the States*, on stock or shares so held by them, although all the capital of the Bank be invested in Federal securities, provided the taxation does not violate the rules prescribed by the Act of 1864."

The principle in these cases is, that the exemption of the *capital*, which is the property of the corporation, does not exempt the shares of the capital stock from being taxed as the property of the stockholders. And why? Because the *ownership is not identical*. A tax on the stockholders is not a tax on the corporation, and it follows for the same reason, that a tax on the corporation or its property is *not a tax on the stockholder*,

If a tax on the one is not a tax on the other, then the *exemption* of the one is not an exemption of the other. The propositions are convertible. And so the Supreme Court has decided in several cases, besides those above referred to. All exemptions must necessarily have reference to the *person* who is liable for the tax. If then a tax upon the corporation is not a tax on the stockholder, it follows that the exemption of the shareholders from taxation on their shares of stock does not work an exemption of the corporation from taxation on its property or business. This principle of law has the sanction of the highest Courts in England and the United States, and has been recognized and acted upon repeatedly by the Legislature of this State.

I have endeavored to show from the plain meaning of the Declaration of Rights, that it is the *owner* of property who is taxed in this State, and not the property itself. That the latter is only the measure by which to arrive at each person's taxes, because he receives protection from Government, in proportion to the amount of the material interests he has to be protected. Whoever, therefore, is the owner of property, is liable under our Declaration of Rights, to the payment of taxes by reason of that ownership, and the Supreme Court says in the case above quoted, that as to the property of an incorporated Company, "the corporation is the sole owner."

For these reasons I have insisted that whatever may be the claims of the stockholders of these large companies, to exemption from taxation on their shares of stock, the corporations themselves have not