

gage debts to secure the payment of the purchase money of real estate, and the Act of 1870, Chapter 394, which exempted mortgage debts from taxation altogether. This Act has always been considered by a large proportion of the taxpayers of the State as an unequal and unjust measure, giving to capitalists investing in that sort of security an improper advantage over the holders of other property. This abatement of so large a portion of the personal property from the tax-books, could not fail to have the effect, to materially increase the burdens of those owning property of other descriptions, not thus favored. This effect has been continually increased by the eagerness of capitalists to avail themselves of this exemption, by procuring mortgages to cover all debts due them, not so much for the purpose of additional security to the debts, as for the express and avowed purpose of freeing themselves from the burdens of taxation.

By the legislation of the State since 1870, the State has established the anomaly, that while the capitalist whose means are invested in obligations not secured by mortgage, is to be taxed according to the true value of those obligations, yet immediately he may obtain the additional guarantee of a mortgage, to give the investments increased value and security, he shall become, *ipso facto*, free from taxation, as to such investments. Why the capitalist who is thus fortunate in having his means invested, so as to possess the greatest possible security for the prompt payment of his interest and principal, should be thus favored over his neighbor, whose investments are not thus safely guaranteed, is the question to be answered. One of the arguments used ordinarily by the advocates of this special privilege, is that as the property mortgaged is taxed, the taxation of the mortgage debt, for the payment of which the property is pledged, would be a double taxation. We will suppose the case of of nothing but real property. The holder of such property is taxed, and must be taxed for the full value, whether he owes more than the property is worth or not, as no sovereignty could afford to let such considerations operate in derogation of the taxing power on all the lands held by its citizens or subjects. The owner of debts due from such