

"(3) In estimating the value of mineral lands, such lands and the buildings thereon shall be valued and estimated at the value of other lands in the neighbourhood for agricultural purposes, but the income derived from any mine or mineral work shall be subject to taxation in the same manner as other incomes under this Act."

What did the legislature mean should be taxed when it declared that the income derived from any mine or mineral work shall be subject to taxation in the same manner as other incomes under the Act? It is plain that the legislature intended that mineral lands should bear a tax exceeding that to be imposed on the value of the lands in the neighbourhood for agricultural purposes, but the imposition of the additional tax was to be dealt with in another and exceptional way. And it must be assumed that in declaring that the income derived from any mine or mineral work should be subject to taxation, it had in mind the usual and ordinary method by which the products of mines is won and disposed of or dealt with, and the result, to the proprietors, of the operations of the year.

A quantity of ore, greater or less according to the extent of the operations or the productiveness of the mine, is brought to the surface. The working expenses or actual cost of production being deducted from the gross receipts, the sum left represents that which is realized for the proprietors. It is what has been gained from the year's operations, that which comes in to the proprietors, and so falls readily within the term "income derived from the mine or mineral work."

There appears no good reason for doubting that such was the intention of the legislature, for, however true it may be that the effect of continuing the working of the mine is gradually to exhaust the product, and so end the income derivable therefrom, that has for many years been recognized as the inevitable result of mining operations, without at all altering the view, long entertained, that the investors in property of this nature are not at liberty to regard for assessment purposes the annual gains or income in the light of replacement of capital. And more especially so when, as in this case, they have been treated as properly the subject of dividends.