

Turning to the question raised by the appeal, the learned Judge said that the town corporation owned a factory building and land adjoining a stream flowing through the town. The factory had been operated by power taken from the head-race and a pond used for the storage of water retained to develop power further down the stream. In May, 1913, the corporation leased to Perram the factory building and premises for three years, with the right to take sufficient water to give 12 horse power, at an annual rental of \$200.

For the purpose of establishing and operating a pumping station down stream, the corporation desired to acquire Perram's leasehold and water right; the necessary by-laws for effecting that purpose were passed; and the County Court Judge made an order giving the corporation immediate possession of the leased premises, about a year before the expiry of the lease. Possession was taken, and the arbitration to fix the compensation was had.

The majority of the arbitrators awarded Perram no damages and ordered him to pay the costs of all the proceedings—upon the theory that no profit was to be derived from Perram's business carried on in the factory, the making of yarn.

What the corporation were called upon to pay, the learned Judge said, was the value of that which they had expropriated, and they could not set off against that value the probable loss to Perram by his continuing in business, nor could Perram claim from the corporation the profits he might make if he continued in business—the expropriation of the factory did not necessarily involve his discontinuing his business.

Upon the evidence, Perram should be allowed the value of the 12 horse power to which he was entitled for one year and of the use and occupation of the factory, and a reasonable sum for the expense of removing his business to some other premises. Deducting from this the rent for a year, \$200, his compensation should be fixed at \$300. From this should also be deducted \$100 due by him for rent at the time of expropriation, leaving him an award of \$200; he should also have the costs of the arbitration and appeal, no compensation having been offered him by the corporation.