

to us, as we consider we have the prior right and are willing to pay any reasonable amount for a deed of the same."

*Held*, that the above letter was an acknowledgment of the Crown's title, and interrupted the operation of the statute in defendants' favour.

A. E. Fripp, K.C., for defendant.

Audette, J.]

[Dec. 9, 1915.

THE KING, EX REL. ATTORNEY-GENERAL OF CANADA v.  
McLAUGHLIN.

*Expropriation—Compensation—Offer Made Before Information Filed—Amount of Offer not Based upon Proper Valuation—Market Value—Market Value Established by Sales—Costs.*

1. Where an offer of compensation is made to the owner by the Crown prior to legal proceedings being taken to ascertain the value of the lands expropriated, such offer, if it is extravagant when tested by the evidence before the Court, is not shewn to have been based on any proper valuation, and is, moreover, made with a view to a settlement of the claim without litigation, the court will not regard it as evidence of the true market value of the land.

2. Even when the amount recovered is so much less than that claimed as to make the latter appear extravagant if negotiations for a settlement prior to action brought involve an offer by the Crown far in excess of the sum offered by the information, the defendant ought not to be deprived of his costs.

*McLeod v. The King*, 2 Ex. C.R. 106, considered and distinguished; *The King v. Woodlock*, 15 Ex. C.R. 403, referred to.

3. The prices paid for properties purchased in the immediate neighbourhood of land expropriated afford the best test and the safest starting point for an enquiry into the true market value of the lands taken.

G. G. Stewart, K.C., and E. Taschereau, for plaintiff. F. Murphy, K.C., and A. Laurie, for defendants.