

#312964ty

15th January, 1934.

Gentlemen,

Re: The King vs Town of Carlyle.

I have before me your letter of the 28th November last, addressed to the Deputy Minister of Justice, together with the draft lease to which this letter refers.

In reply I beg to say that there are two or three matters in respect of which we are not altogether clear as to what is intended.

First-In the second paragraph on page 3 reference is made to any buildings "other than cottages". In what way do the cottages differ from other buildings? Are the cottages in every instance constructed by the sublessee?

Second - Does the "capital invested therein by the lessee" as referred to in (a) page 3 mean the total cost of the building or project? We judge that it does, as (b) provides for deduction of interest on "so much of the capital sum invested by the lessee" as remains unpaid. For instance if the total cost of a building should be \$5000 and on this building there should be a mortgage of \$3000, would there be a deduction of 5% in respect of depreciation on the whole \$5000 and a further reduction of 5% on the \$3000.

Third - On page 4 the buildings and projects now in operation are referred to and the unpaid claims against the same

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