

Department appointed an Engineer to examine and report on the building, and an offer has since been made of a sum based on that gentleman's report. This last offer of the Government is still under consideration; some further information in relation to certain deductions made by the Departmental Architect being asked from the Government before giving a final answer.

A difference has subsequently arisen in regard to a claim on the Government for rent and premium of insurance on the building, from the expiration of the lease until it shall be finished and given up to the Institute, according to the agreement.

Your Committee append to this their report a copy of the lease, and copies of all correspondence had with Government on the subject of the settlement, in order that the members of the Institute may be able fully to understand the whole matter. To the last communication, sent on the 27th of February last, no reply has yet been received.

Your Committee would here remark that, during the whole of the negotiations, they have acted with the utmost promptness in considering every communication received, and in furnishing all information asked by the Government, having been anxious to arrive at a satisfactory adjustment of the matters in dispute, without an hours unnecessary delay; and they cannot but express their sincere regret that their endeavours should not, long ere this, have been successful, as the unexpected delay has been—both as regards the membership and the finances—very detrimental to the interests of the Institute.

In the year 1857 this Institute became associated with the

#### **SOCIETY OF ARTS,**

In England, and believing that members are not aware of the benefits this connection confers, your Committee avail themselves of this opportunity of calling attention to the subject. The following special privileges are secured to this Institute by being thus associated, viz.:—