

ment, through the Hon. Mr. Killaly, offered to lease the building for four years, for public offices, on terms favorable to the Institute. Your Committee, after a consideration of the existing and prospective difficulties which opposed the completion of their heavy undertaking, decided to accept the offer of the Government, which decision was subsequently sanctioned by the Members at a Special Meeting called for the purpose. By the terms of the arrangement, the Government undertook to discharge the Institute's liabilities to the contractors and other parties, amounting to £1,320,—to finish the Hall at the expiration of the lease, according to the original plans, reserving the right of making certain temporary alterations, in the meantime, to suit their own purposes—to keep the building insured, during the time, for £6,000,—and to give the Institute a yearly rent of £376, to enable it to pay the interest on the Building Loan, and for accommodation in its present premises. Your Committee, while regretting the necessity of the Society being obliged to defer its occupation of the New Hall for so long a period, feel that, under the circumstances, the above arrangement was highly advantageous to the Institute, in relieving it, in a great measure, from responsibilities, the extent of which, would necessarily have cramped its energies for some time to come.

An application to the City Council, to allow the Institute to remain in the present building, during the occupation of the New Hall, by Government, was granted,—the rent being fixed at £60 per annum.

On the arrival of His Excellency the Governor General, Sir E. W. Head, to take up his residence in Toronto, your Committee presented an address to him on behalf of the Institute; to which His Excellency replied “that the address gave him great pleasure, convinced as he was that Mechanics' Institutes were of the highest utility; and that he would always be ready to do his utmost to promote their prosperity.”

By the Treasurer's statement, it will be seen that the Finances