

Whitehall, August 1st, 1849.

Sir,

I have had the honor to receive your Royal Highness's Letter of the 31st July, suggesting the issue of a Royal Commission to enquire into, and report upon, the practicability of a Scheme which has been formed by the Society of Arts for a Quinquennial Exhibition in London of the Industry of all Nations.

I shall not fail, in obedience to your Royal Highness's command, to take an early opportunity of bringing this important subject under the consideration of Her Majesty's Government, and I am confident that it will receive their careful and deliberate attention.

I have the honor to be,

(Signed) G. GREY.

To His Royal Highness  
Prince Albert, K.G.

His Royal Highness inquired what variation had been made in the terms of the agreement reported at the last Meeting. It was explained that the Contractor having considered it to be necessary that he should have the power of regulating the amount of that outlay, on which he conceived success depended to a great extent, had proposed that certain preliminary expenses, such as those attendant upon Agency, Offices, Advertisements, Printing, &c., which were to be subject to the superintendence of an Executive Committee of the Council of the Society of Arts, should not be charged upon the general receipts, but should be paid by him out of his share of the profits: that the Council of the Society had consented to this arrangement, and, in consideration of this increased risk, had agreed to allow the Contractor four-sixth parts of the net profits, or two-thirds, instead of three-sixths or half, as originally proposed. In assenting to this modification in the terms of the contract, the Council also felt that it would be the means of diminishing the chances of any differences of opinion between them and the Contractor, in respect of any question connected with the expenses. It was stated that Deeds to give effect to this arrangement were now in preparation: that the Contractor had already paid to the Society's Bankers £500, and was prepared to invest £20,000 for the Prizes in the names of Trustees, upon signing the Deeds. His Royal Highness was informed that one condition which the Contractor was disposed to make, was, that having entered upon the contract in the expectation that there would be a Royal Commission, in order to invest the undertaking with a National

*That report  
be here?  
inserted -  
B.D.V.*