

7. (1) A considerable increase of the members of the House of Assembly. I would suggest that the increase should be from the present number to 30; and that it should be effected, not by giving additional members to existing constituencies, but by sub-dividing, as equally as geographical positions would admit, the districts now returning members, which appear to be in most instances too large for the convenient exercise of the franchise.

8. (2) In reference to my Despatch on the financial condition of the Colony, lately directed to be laid before the Assembly, it appears to me necessary that the Law should be assimilated to that of Nova Scotia (revised Statutes, Cap. 7, Sec. 44,) with regard to the expenses of Elections, which should no longer be paid from the Colonial Treasury, but be defrayed (under proper conditions as to amount) by the members.

9. (3) Payment of the members for their expenses and attendance to be no longer made by the Colonial Treasury, but by local assessment levied in each electoral district.

10. These measures having been taken by the Legislature, Her Majesty's Government will proceed to separate the Executive from the Legislative Council, and to provide, by Instructions from Her Majesty, that the latter should consist of not less than 10 nor more than 15 members, nominated by the Crown.

11. With regard to the stipulations respecting the grant of a Civil List to Her Majesty, which have usually accompanied the grant of Responsible Government, it appears to me sufficient to refer you to the arrangements already made under the Act of Parliament 2 and 3 William IV., Cap. 78, and the Acts of the Newfoundland Legislature 7th Victoria, Cap. 1, and 8th Victoria, Cap. 6, leaving it to yourself to consider whether any modification of these provisions is now required.

12. These are conditions, some of which, I am persuaded are essential to justice, and others highly important to the satisfactory working of the new system; and I trust that with these additions, the adoption of the system in question will not merely satisfy the long-expressed desire of the majority of the people of Newfoundland for freer institutions, but will also prove favourable to practical improvements in the Government of the Colony.

13. As regards the portion of the Address which relates to Free Trade with the United States, you will inform the Assembly that Her Majesty's Government are still in negotiation with that of the United States, and that in the conduct of that negotiation every attention will be paid to their expressed wishes and those of their constituents.

I have the honour to be, Sir,

Your most obedient humble servant,

(Signed)

NEWCASTLE.

Governor HAMILTON, &c., &c., &c., Newfoundland.