

given for more regular communication with the United Kingdom, and the advantages to be derived by the northern portions of this territory being placed in more speedy and direct communication with other countries, and the probability of a mail line from New Caledonia connecting at one of the Northern Ports, it is recommended that Mr. Fraser's proposal to run a line of steamers from Sydney to Batavia, *via* Moreton Bay and Torres Straits, be conditionally accepted, subject to the approval of Parliament and the co-operation of the Governments interested, including that of Holland, and with the following modifications:—

1. The service to consist of thirteen (13) voyages or trips each way annually, starting from Batavia and Sydney respectively, so as to form an intermediate mail service with the Suez line from Sydney.
2. The vessels employed shall on each passage call at the Ports of Moreton Bay (in all cases coming up to the anchorage at the Bar, and, if possible, to Brisbane), Gladstone, Bowen, Cardwell, and Somerset, for landing and receiving mails, passengers, and cargo.
3. The subsidy for the whole of the service not to exceed £25,000, of which it is proposed that Queensland shall contribute one moiety, and the Colonies of New South Wales and Victoria conjointly the other moiety; subject to any further reduction, if necessary, in the contribution by those Colonies that may be agreed upon, and receive the sanction of the Queensland Legislature.

A. H. PALMER.

(No. 3.)

Copy of CABINET MINUTE *re* TORRES STRAITS MAIL ROUTE.

MINISTERS recommend, subject to the approval of Parliament and the co-operation of the Governments interested, including that of Holland, the conditional acceptance of Mr. Alexander Fraser's proposal to run a line of steamers from Sydney to Batavia *via* Moreton Bay and Torres Straits.

The service to consist of thirteen voyages or trips each way annually, starting from Batavia and Sydney respectively, so as to form an intermediate mail service with the Suez line from Sydney.

The vessels employed to call at the Ports of Moreton Bay (in all cases coming up to the anchorage at the Bar, and, if possible, to Brisbane), Gladstone, Bowen, Cardwell, and Somerset, for landing and receiving mails, passengers, and cargo.

The subsidy to be paid for the whole service not to exceed £25,000, to be contributed by the several Colonies of New South Wales, Queensland, and Victoria respectively, in such proportions as may hereafter be agreed upon; and that the Colonial Secretary be empowered to negotiate with the Governments of those Colonies, with the view of completing the necessary arrangements.

A. H. P.
J. P. B.
J. M. T.
R. R.
W. H. W.
J. B.

(No. 4.)

Copy of MINUTE of PROCEEDINGS of the EXECUTIVE COUNCIL, on 12th October, 1871, on the subject of the TORRES STRAITS MAIL ROUTE.

HIS EXCELLENCY THE GOVERNOR, at the instance of the Hon. the Colonial Secretary, submits, for the consideration of the Council, a letter from Mr. Alexander Fraser, dated 8th August, 1871, covering a memorandum containing proposals for the establishment of a regular monthly steam service between Sydney and Batavia, *via* Moreton Bay and Torres Straits, with the terms and conditions on which he is prepared to enter into a contract with the Colonial Governments of New South Wales and Queensland for this purpose.

The Council deliberate. They advise, subject to the approval of Parliament, and the co-operation of Governments interested, including Holland, the conditional acceptance of Mr. Alexander Fraser's proposal to run a line of steamers from Sydney to Batavia, *via* Moreton Bay and Torres Straits.

The service to consist of thirteen voyages or trips each way annually, starting from Batavia and Sydney respectively, so as to form an intermediate mail service with the Suez line from Sydney.

The vessels employed to call at the Ports of Moreton Bay (in all cases coming up to the anchorage at the Bar, and, if possible, to Brisbane), Gladstone, Bowen, Cardwell, and Somerset, for landing and receiving mails, passengers, and cargo.

The subsidy to be paid for the whole service not to exceed £25,000, to be contributed by the several Colonies of New South Wales, Queensland, and Victoria, respectively, in such proportions as may hereafter be agreed upon; and that the Colonial Secretary be empowered to negotiate with the Governments of those Colonies, with the view of completing the necessary arrangements.

Immediate action.

A. V. DRURY,
Clerk of the Council.

(No. 5.)

HEADS OF AGREEMENT to form basis of Contract to be entered into between the GOVERNMENT of QUEENSLAND, of the one part, and ALEXANDER FRASER of the other part, for establishing and maintaining a regular Four-weekly Steam Service between Batavia and Sydney, *via* Torres Straits and the principal Ports of Queensland.

1. The Contractor of the other part binds himself to establish as soon as possible, and within six months after this agreement has been sanctioned by the Parliaments interested both in Australia and