

Holland, a regular service with steamers to run between Sydney and Batavia, in connection with the intermediate service of the P. and O. Company on the London and China line, regulating the departures from both sides so as to form as nearly as possible a fortnightly postal service for the Australian Colonies, alternating both ways with the existing monthly mail service *via* Galle and Suez.

2. The steamers performing the service to be under Dutch or English colours, at the option of the Contractor of the other part, to be of a burthen of not less than 1,000 tons, and to be propelled at an average speed of nine knots per hour for the voyage from Batavia to Sydney and back.

3. The steamers on the voyage from Batavia to Sydney, as well as returning, to call at the Ports of Somerset, Cardwell, Bowen, Gladstone, and Brisbane, or Brisbane Roads, for the purpose of landing and receiving mails, passengers, and cargo, with permission to call at Timor on both voyages; detention at all ports of call between Batavia and Sydney not to exceed three days.

4. The Contractor of the other part binds himself to carry without any separate charge, and to receive and deliver at all ports of call specified in article 3, all mail packets, letters, and newspapers, which may be put on board by order of the Postmaster-General of Queensland, or addressed to the Post Office Department. The mails to be brought on board and received from alongside the steamers by the Post Office authorities at each port.

5. The mails from Europe, China, &c., to be received at Singapore, and those from Australia to be delivered there free of expense.

6. The steamers to be employed in the service to be exempt from the payments of harbour dues at all ports of Queensland, for twelve months after the first payment of these dues.

7. In consideration of the services above specified, the Contractors of the one part agree to pay the Contractors of the other part an annual subsidy of £25,000 sterling in full, payable quarterly by equal instalments, each of £6,250 sterling, and undertake to negotiate with the Governments of New South Wales and Queensland, for the moiety of this sum which may be contributed by these Colonies respectively.

8. The contract to be made upon the basis of this agreement to embrace all the usual stipulations of mail contract services.

A. H. PALMER,
Colonial Secretary, Queensland.
ALEX. FRASER.

Brisbane, 14th October, 1871.

(No. 6.)

MR. ALEXANDER FRASER to the Hon. the COLONIAL SECRETARY.

SIR,—

Brisbane, 14th October, 1871.

I have had the honor to receive from you copy of the Cabinet Minute and Memorandum, dated 11th instant, relating to my proposals for a regular steam service *via* Torres Straits, and beg to inform you that I agree to the modifications of these proposals specified in the Memorandum above referred to.

The Hon. the Colonial Secretary of Queensland.

I have, &c.,
ALEX. FRASER.

(No. 7.)

The Hon. the COLONIAL SECRETARY, Queensland, to the Hon. the COLONIAL SECRETARY, New South Wales.

SIR,—

Queensland, Colonial Secretary's Office, Brisbane, 14th October, 1871.

I do myself the honor to inform you that, subject to confirmation by the Legislature of this Colony, I am authorized by His Excellency the Governor and the Executive Council to enter into a conditional agreement with Mr. Alexander Fraser for a mail service from Sydney, *via* Ports in this Colony, to Batavia, delivering mails at Singapore, on the terms contained in Mr. Fraser's memorandum (A), a copy of which is herewith enclosed, subject to the modifications set forth in another memorandum (B), also transmitted for your information.

I now beg to invite the co-operation of your Government in this service, and I would suggest that New South Wales should contribute one moiety of the amount agreed upon, Queensland taking upon herself the responsibility of the remainder.

It will be left to your Government to make the best terms possible with Victoria for a contribution from that Colony, whilst this Government reserves to itself the right of receiving any subsidy that may arise from New Caledonia, or from any other connection with the lines at and to the north of Moreton Bay.

It is hardly necessary for me to point out to you that, even in the event of Victoria declining to contribute in support of the service, with the large amount of postage to be received upon letters carried to and from that Colony through New South Wales, added to the benefits to be derived from postal communication between New Zealand and the East, and the direct trade you already possess with China and Java, the advantages will very much preponderate on the side of New South Wales; but in the hope of opening up a trade with Batavia and the Eastern Countries, this Government, notwithstanding, is willing to accept the responsibility of the moiety of the subsidy required from the Australian Colonies.

I would urge upon you the necessity of a speedy decision being arrived at in the matter, for if the present opportunity of making a satisfactory arrangement is neglected, it is probable that a considerable period will elapse before we can hope to obtain the support of the Netherlands-India Government which is now promised us.