

The contractor shall accept passenger tickets or coupons issued by the Tourist Division of the Department of Agriculture, Commerce, and Tourists, and that Department shall be allowed by the contractor the same commission on all tickets or coupons so issued as may be allowed to any tourist agency carrying on business in New Zealand on tickets or coupons issued by it.

FREIGHTS.

Wanganui to—	Up-river.	s.	d.	
All points to Te Tuhi		20	0	per ton.
All points above Te Tuhi to Pipiriki		30	0	„
All points above Pipiriki to Tangarakau		40	0	„
All points above Tangarakau to Houseboat		50	0	„
All points above Houseboat to Taumarunui.		60	0	„

Taumarunui to—	Down-river.	s.	d.	
All points to Aukopae		30	0	per ton.
All points below Aukopae to Houseboat		50	0	„

Weight for measurement at ship's option.

On examining the bond executed by the contracting parties there appears to be included in it an unnecessary and ambiguous clause which might be used to cover the levy of improper fares on passengers. The clause in question is to the effect that the maximum fare between Taumarunui and Pipiriki shall not exceed 40s. for a single ticket and 50s. for a return ticket. It is not clear whether this refers to settlers or tourists. The settlers' fare, single, from Wanganui to Taumarunui is 42s. 6d.; the fare from Wanganui to Pipiriki is 7s. 6d. The fare from Taumarunui to Pipiriki should therefore be 35s., but under the clause quoted 40s. might be charged.

A glance at the freight schedule shows that it practically shuts out competition from the Taumarunui end. The distance from Taumarunui to Aukopae is sixteen miles, yet the freight is fixed at 30s. a ton, while below Aukopae to the Houseboat, distant thirty miles from Taumarunui, the freight is 50s. a ton. Below the Houseboat there is no quotation. It is easier, of course, to carry goods down-stream than up-stream, and the products of the settlers will always by preference go down-stream to Wanganui, as at the latter point they are at a port of shipment and there are no railage charges. With regard to the importation of goods into the district it is very different. Only small boats carrying a maximum of 6 to 8 tons ply between Taumarunui and Kokakonui, a distance of twenty-two miles. Obviously it would be easier to bring goods down than up stream from Taumarunui as far as Kokakonui, where there is a transshipment to a larger class of steamers. Yet the freight to places between Taumarunui and Kokakonui ranges from 30s. to 50s. a ton. We do not suggest that goods should be carried from Taumarunui to places beyond Kokakonui without a very considerable proportionate increase in the charges, as it must be borne in mind that the boats running between Taumarunui and Kokakonui have first to go up-stream in order to come down, and that their carrying-capacity is so very limited and cannot be increased. If goods were carried down in large quantities on these small boats for transshipment the cost of handling the merchandise would be heavily increased. As far as Kokakonui, however, we think the freights should not have been higher than for the carriage of goods up-stream between the same points. A comparison between the passenger and freight charges illustrates this. A settler is carried from Kokakonui to Taumarunui or *vice versa* for 8s. The schedule does not make it clear, but presumably a ton of goods would be carried from Kokakonui to Taumarunui for 10s.; the reverse way (down-stream) the charge would be 50s. The absence of a proper tariff on goods is, as we shall show further on, responsible for the greater part of the dissatisfaction with the service which has arisen. The carriage of mails must have been undertaken by Messrs. Hatrick and Co. in accordance with the provision of the Post and Telegraph Act, 1908, at rates fixed by Order in Council. The justification for a contract entailing a subsidy of £1,250 a year would have been an equitable scale of charges for the carriage of passengers and the goods of settlers. The former object was, we think, fairly attained; the latter seems to have been neglected. The revenue derived from the service by the Post and Telegraph Department is estimated at only £80 a year. The Lands Department contributes the larger part of the subsidy. We think that before any tender was accepted the terms and conditions should have been submitted for the approval of that Department.*

* Conditions were submitted to the Head Office of the Lands Department for consideration before the bond was signed.