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NEW ZEALAND.

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# WANGANUI RIVER STEAMER MAIL CONTRACT

(REPORT OF DEPARTMENTAL COMMITTEE ON).

*Laid on the Table of the House of Representatives by Leave.*

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## WANGANUI RIVER SERVICE.

SIR,—

Wellington, 12th June, 1913.

We proceeded to Wanganui on the 15th ultimo for the purpose of inquiring into the condition of the Wanganui River service. On reaching Wanganui we made some preliminary inquiries there, and arranged for a boat to convey us down the river from Taumarunui to meet settlers. In order to give no ground for future complaint we issued and distributed to settlers a printed notice of our movements and inviting them to meet us. We also inserted a notice in the *Wanganui Chronicle*, and telegraphed in similar terms to the Postmaster at Taumarunui and to Telephonists in the Wanganui River district requesting them to advise all persons concerned. Having allowed sufficient time to elapse for the information to be disseminated as widely as possible, we proceeded by train to Taumarunui on Monday, the 19th ultimo, and took evidence there the following day. Though Taumarunui was understood to be much dissatisfied with the service, but few presented themselves to give evidence. Some of the gentlemen who had previously made complaints to the Prime Minister failed to attend. But little could be elicited at Taumarunui, and we started down the river on Wednesday, meeting little knots of settlers *en route*, and arriving in Wanganui on Saturday. We were advised that the condition of the roads and tracks prevented many from meeting us, but the general tenor of the information supplied to us all through left no doubt on our minds as to the true position. Two days were devoted to inquiries in Wanganui, but the representatives of the principal business firms there were extremely shy in coming forward. We, however, waited on a number of business people, who explained their views privately, explaining that their business relations prevented them from giving official evidence. The reasons are, of course, obvious. As an instance of this the manager of one large commercial house informed us he could not tender evidence owing to the business relations between his firm and Hatrick and Co. Others concerned were no doubt influenced by similar considerations. With regard to the object of our mission we have the honour to report as follows:—

### THE RIVER AND ITS IMPROVEMENTS.

We came down the river at a time when the water was high and the difficulties of navigation were not apparent. There can be no doubt, however, that during several months of the year navigation is difficult and costly, owing to the lowness of the river, and it is during this period that the bulk of the passengers and goods have to be carried.

The Chairman of the Wanganui River Trust supplied statements showing the expenditure of public money in improving the river, the mileages between landing-places, and other particulars. The Chairman also brought under notice the need for a launch for the use of the Trust in keeping the river open. At present a punt has to be used, and it is expensive and difficult to move about, especially up-stream. There can be no question that a suitable launch would be of material assistance to the Trust in carrying on its increasingly important operations.

Another matter mentioned was a project for diverting the water from Lake Roto Aira to one of the tributaries near the source of the Wanganui River. This, it was stated, should not prove any very great undertaking, and would enable the supply of water in the river to be regulated during the dry season. Having regard to the prospective increase of settlement, a

subject which will be dealt with further on, and to the fact that many of the settlers will have to depend entirely on the river for an outlet for many years to come, we respectfully suggest that the proposal for diverting the waters of Lake Roto Aira should be inquired into by an Engineer and a report obtained. Another matter in connection with the river which we think should be brought under notice is the turntable in the Avenue Bridge at Wanganui. The turntable, we understand, has not been opened for thirteen years, and we were told that legislative authority had been sought to close it permanently. Should such a proposal be brought forward again we think it should not be agreed to without very careful consideration. It might be necessary in future to have the use of the turntable in order to get vessels to the Railway Wharf for the purpose of loading and unloading freight, and for the carriage of sheep to the freezing-works at Castlecliff.

#### SETTLEMENT, PRESENT AND PROSPECTIVE.

The importance of the river service as a factor in the development of the country may be estimated when it is considered that it is the highway that provides access to about 540,000 acres of land. It is true that as soon as the roads near the upper reaches of the river are completed it is likely that the settlers on some 50,000 acres may prefer to use the Main Trunk Railway instead of the river; also that the same reason may lead those near Wanganui to cart to that town; and it is also not forgotten that a considerable area of reserves help to make up the total quoted; still, notwithstanding this, we are satisfied that the river will always remain the best and cheapest method of transport for the produce of the greater part of the 540,000 acres.

The work of the River Trust in improving the channel, and Hatrick and Co.'s enterprise in providing a regular service, has stimulated the settlement of the waste lands adjoining the river. This settlement is at present only in its infancy, and it takes a considerable time to bring bush land into profit, especially when the settlers have not got much capital, as is the case here. Yet last season there was a substantial increase in the number of bales of wool exported down the river, and we were told by many settlers that their output would be doubled next year, and go on increasing for many years. At present about 106 Crown tenants, thirty-six Maori Land Board tenants, and many Natives use the river. Notwithstanding that many of the tenants are quite new and have not produced much, about two thousand bales of wool were exported last season. A large number of bushfellers and fencers were employed, and much material was imported for fencing, &c. We were told that the Maori Land Board, on behalf of the Natives, was bringing into cultivation a large area near Ranana; also that large areas were being felled and grassed for various Maori Land Board tenants; and we know that the Crown has within the last few months subdivided and let 6,000 acres in the Waipapapa Valley, is advertising for immediate sale 31,500 acres on the west bank of the Wanganui River near Pipiriki, and has three survey parties subdividing another block of 30,000 acres for sale next year between Pipiriki and Retaruke. The River Trust also proposes to let 6,000 acres next season. It therefore seems reasonable to suppose that the settlers' estimate that their output will be doubled next year, and go on increasing for many years as the bush is felled and the land grassed, will be realized.

#### TOLLS LEVIED BY RIVER TRUST ON GOODS CARRIED ON RIVER.

The Wanganui River Trust levies tolls on goods carried on the river. The dues are collected for the Trust by Messrs. Hatrick and Co., who in turn collect from the consignees. The goods carried are entered on the manifests, copies of which are supplied to the Trust, and the amounts paid by Messrs. Hatrick and Co. are checked by a Government Auditor. While goods carried on the steamers, especially between intermediate points, might at times be omitted, it would cost the Trust far more than any possible loss to establish an effective check. A schedule of the tolls received by the Trust during the last twenty years is appended [not printed]. The total for the twenty years was £3,075 19s. 8d. The amounts received dropped from £186 in 1903-4 to £99 in 1904-5, and from £302 in 1907-8 to £120 in 1908-9. This, it was explained, was in the first case due to the Main Trunk Railway being available and thus diverting a large part of the traffic from the river, and in the second case to a reduction of the River Trust's dues from 2s. 6d. to 1s. 6d. a ton. The Chairman informed us that owing to the improved outlook for the Trust's finances through increased rents it was hoped in the near future to abolish the tolls altogether. The recovery of the dues cannot be regarded as satisfactory. We respectfully suggest that Government might consider the propriety of increasing any subsidy paid to the Trust on condition that the dues were abolished. This would afford practical assistance to the poorer settlers at no great cost. The total amount received by the Trust from this source last year was only £198 10s.

## MESSRS. HATRICK AND CO.'S PLANT.

In response to a letter we addressed to Messrs. Hatrick and Co., it was stated amongst other things that over £60,000 was sunk in steamers, wharves, workshops, wire ropes in the river for hauling, cargo-sheds, men's shore quarters, Pipiriki House, and the Houseboat. It was further stated that the annual cost of running the service, including 5 per cent. on the capital invested, was £15,000, and that the steamers covered over 54,000 miles annually. We were not in a position to verify any of the figures supplied by Messrs. Hatrick and Co. A list of the steamers employed in connection with the river service and their tonnage is given [not printed]. In addition to these steamers there is a slipway and repairing workshop at Wanganui, hauling-wires on the rapids, several sheds for goods along the river erected either wholly or in part by Messrs. Hatrick and Co., wharves, Pipiriki House, the Houseboat, and other property. As the scope of our inquiry did not include any question of the acquisition of the service, we did not think it necessary to go into details in connection with plant. A word should be said regarding the wire ropes laid down in the river for hauling up the rapids. These ropes wear out in about two years, and have to be replaced. The ropes have been laid down in the river by Messrs. Hatrick and Co. If an opposition service were running the ropes would have to be taken over by the River Trust, and compensation, presumably, paid to Messrs. Hatrick and Co. Two sets of ropes could not be laid down on the rapids, as they would foul and become unworkable.

## THE CONTRACT.

The present contract is for the carriage of mails thrice weekly between Wanganui and Pipiriki throughout the year, and thrice weekly between Pipiriki and Taumarunui from the 15th November to the 15th May, and twice weekly from the 16th May to the 14th November, and as often as any extra steamers may run during these periods. Attached to the bond are schedules of passenger fares and goods freights. The former is full, comprehensive, and, having regard to all the circumstances, equitable. The schedule for goods traffic is a mere shadow of a tariff, particularly with regard to the down-river trade. We quote hereunder the schedule in full:—

The maximum charges for fares and freights shall be the following, viz. :—

Wanganui to—	FARES.		Settlers.		Tourists.	
			Single.	Return.	Single.	Return.
			s. d.	s. d.	s. d.	s. d.
Upokongaro or <i>vice versa</i> , Quarries, Kauwhaike ..	2	0	4	0	2	0
Raorikia or <i>vice versa</i> .. .. .	2	6	5	0	2	6
Ramahiku, Tupapa, or <i>vice versa</i> ..	2	6	5	0	5	0
Pungarehu, Parekino, Pukerimu, or <i>vice versa</i> ..	3	0	6	0	6	0
Te Rimu, Pitangi, or <i>vice versa</i> ..	3	6	7	0	7	0
Opokopoiti or <i>vice versa</i> .. .. .	4	0	7	6	7	6
Ohui or <i>vice versa</i> .. .. .	4	6	8	6	8	6
Atene or <i>vice versa</i> .. .. .	4	6	9	0	9	0
Ahu Ahu, Te Tuhi, or <i>vice versa</i> ..	5	0	9	6	9	6
Koroniti or <i>vice versa</i> .. .. .	5	0	10	0	10	0
Galatea, Kawanui, Matahiwi, or <i>vice versa</i> ..	5	6	11	0	11	0
Ranana or <i>vice versa</i> .. .. .	6	0	12	0	12	0
Jerusalem, Kaiwaroa, or <i>vice versa</i> ..	6	6	12	6	12	6
Pipiriki or <i>vice versa</i> .. .. .	7	6	15	0	15	0
Rangitautahi, Tapapa, Ngaporo, or <i>vice versa</i> ..	10	0	20	0	17	6
Manganui-o-te-au, Arawhata, or <i>vice versa</i> ..	10	6	20	0	18	0
Rananui, Tuke, Parauui, or <i>vice versa</i> ..	11	6	22	0	19	0
Whangamomona, Tangarakau, or <i>vice versa</i> ..	17	6	35	0	25	0
Puketapu, Nikotapu, or <i>vice versa</i> ..	20	0	40	0	27	6
Aukete, Kirikiriroa, or <i>vice versa</i> ..	22	6	45	0	30	0
Retaruke, Te Rata Road, Mangaohutu, or <i>vice versa</i> ..	25	0	50	0	32	6
Tawhata, Houseboat, or <i>vice versa</i> ..	27	6	50	0	35	0
Opatu or <i>vice versa</i> .. .. .	27	6	50	0	35	0
Otu-iti or <i>vice versa</i> .. .. .	32	6	52	0	40	0
Kokakoriki or <i>vice versa</i> .. .. .	32	6	52	0	40	0
Kokakonui or <i>vice versa</i> .. .. .	34	6	53	0	42	0
Paparoa or <i>vice versa</i> .. .. .	36	6	55	0	44	0
Aukopae, Te Maire, Otunui, or <i>vice versa</i> ..	38	6	58	0	46	0
Hikimutu or <i>vice versa</i> .. .. .	39	6	60	0	47	0
Towhenua or <i>vice versa</i> .. .. .	40	0	60	0	47	6
Taumarunui or <i>vice versa</i> .. .. .	42	6	65	0	50	0

The maximum fare between Taumarunui and Pipiriki shall not exceed 40s. for a single ticket and 50s. for a return ticket.

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 railrage 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.

### THE SERVICE.

The service on the river is performed in three sections, and by three different classes of boats. The larger boats ply between Wanganui and Pipiriki, the smaller between Pipiriki and Kokakonui, and the smallest between Kokakonui and Taumarunui. This entails transshipment of all through passengers and goods at Pipiriki and Kokakonui. The two larger classes of boats are coal-burners, and the smaller now use liquid fuel. Making due allowance for the difficulties of navigation, the necessary smallness of the steamers, and their restricted appointments, we are of opinion that Messrs. Hatrick and Co. give the public a fairly good and regular service. There is, however, reason to think that the discipline on board some of the steamers is capable of improvement, but this is a matter which will be dealt with in connection with the complaints of settlers.

### COMPETITION.

About twelve years ago a company was formed in Wanganui to run a steamer to Pipiriki in opposition to Messrs. Hatrick and Co. The opposition company was unsuccessful and went into liquidation, its steamer eventually passing into the hands of Mr. Hatrick.

During the past six years a Mr. Ross has been successfully running a launch on the lower reaches of the river, and his evidence will be found at page 78 [not printed]. Mr. Nichols, a former employee of Mr. Hatrick, is now the promoter of a company for the purpose of entering into competition with Messrs. Hatrick and Co., and it is said that a steamer will be running within twelve months. She is, however, intended to run only to Te Tuhi, thirty-three miles up the river from Wanganui. Mr. Nichols's evidence will be found at page 72 [not printed].

### TRAFFIC.

There are several unusual features in connection with the traffic on the Wanganui River. The busiest months of the year both for passengers and freights are those in which the river is lowest. The cost of handling the traffic in the upper reaches by boats of such small tonnage, entailing as it does transshipment at Pipiriki and Kokakonui, must be very heavy. The small boats running between Taumarunui and Kokakonui carry five hands. The larger boats between Wanganui and Pipiriki carry seven and eight hands. The only produce of any magnitude which the settlers at present have to export is wool. This is brought down to Wanganui mostly during the months of December, January, and February. There is but little carried out during the other nine months, the bulk of the traffic then being supplies carried in to settlers. This feature of the service will no doubt be gradually modified as settlement advances, and the produce of the settlers becomes more diversified.

### EFFECT OF RAILWAY AND ROAD EXTENSION.

As has been previously stated, the extension of the Main Trunk Railway had the effect of seriously diminishing the traffic on the river. The same thing is said to have occurred at Tangarakau. The settlers there until last year used the river. Since the rails have been laid to Whanganomona the trade has almost entirely been diverted from the river. Owing to the difficulty and cost of handling goods on the upper reaches of the river at low water, it is likely, we think, that as practicable roads are provided there will be a tendency for goods to find an outlet and inlet by land at Taumarunui and other convenient points on the railway-lines. Allowing for all this, however, if fairly reasonable charges for the carriage of goods can be secured by settlers, the Wanganui River must remain the natural highway for a large area of country.

### COMPLAINTS.

The complaints made by those using the river service are in some cases, we think, well founded, and in others they are the result of misapprehension or a desire to secure more than can be reasonably expected. They cover practically every point of the service, and we deal with them seriatim hereunder :—

(1.) *Excessive Freights at the Taumarunui End.*—This complaint we regard as justified, and it is dealt with in our remarks under the heading of "The Contract."

(2.) *Delays in Removal of Wool from the Upper Reaches of the River.*—It is admitted by Mr. Hatrick that such delays have occurred. His explanation is that the wool could not be removed at the time it was produced, owing to the lowness of the river. The complainants who saw us in most cases admitted that Mr. Hatrick's excuse was a valid one. It can hardly be supposed that Mr. Hatrick would in his own interest leave wool lying at the landings which he was in a position to remove, and for which he was to receive payment at the rate of about 10s. a bale. Mr. Hatrick suggests that the proper remedy for these complainants is to shear early,

so that their wool can be brought down in December when there is yet sufficient water in the river. This seems a very simple way out of the difficulty, but some of the settlers may be unable to secure shearers at the right time. Mr. Hatrick informed us it was his intention to erect a collecting-shed at Kokakonui, the wool would be removed from the different landings in small quantities and taken to the collecting-shed, and a large steamer sent up to remove it as the state of the river permitted. This arrangement, if given effect to and executed in good faith, should, in our opinion, do much to remedy the grievance of settlers under this head.

(3.) *Loss of Goods through their not being landed sufficiently high up on the River-banks.*—It is not disputed that losses of this kind have occurred, and some of the complainants have the suspicion that had they been doing business with Messrs. Hatrick and Co. their goods would have been placed in security. It must be remembered, however, that the river rises very rapidly, as much as 7 ft. or 8 ft. in twenty-four hours, and in flood-time even more. The banks of the river are mostly very steep, and if goods had to be carried up any considerable distance the cost of handling would not only be increased but the steamer would be delayed, and the regularity of the service very seriously interfered with. Mr. Hatrick says that settlers should claim their goods promptly and not leave them at the mercy of the river. The settlers, on the other hand, many of whom live seven or eight miles back from the river, state that they never know when their goods are coming. We heard it stated again and again that settlers had lost their time in coming to the river repeatedly for goods which had not arrived. Such delays are, of course, liable to occur in any service. A good deal of the trouble, we think, should be overcome as telephonic communication is extended to the different settlements on the river. Consignees should then obtain information when goods are coming, and take prompt steps to claim their supplies. We think telephone extension in the valley should be pushed on as rapidly as possible.

(4.) *Excessive and Irregular Fares.*—The settlers as a rule do not complain seriously of the passenger charges. There were a few, however, who thought the passenger fares on the upper reaches of the river were excessive. Seeing the difficulty of navigating this part of the river we hardly think the complaint justified. Other complaints were made that between intermediate points on the river the charges varied. Messrs. Hatrick and Co. should be called upon to disclose every fare levied by them between different points.

(5.) *Poor Food and Insufficient.*—Two or three of the settlers complained that the food supplied on the steamers was badly cooked and insufficient in quantity. The charge for meals served on the steamer is 2s. We would hardly expect to find the table on such steamers, with their restricted appliances, a luxurious one. There is probably not much in the complaint. The bulk of the settlers had no fault to find in this respect.

(6.) *Comfort of Passengers not studied.*—Complaints were made that no attempt was made to study the comfort of passengers in cold weather by protecting the decks from the elements or putting in hot-water pipes; also that journeys were often commenced at an early hour on cold and miserable mornings without it being possible to secure a cup of hot coffee or such simple refreshment. There may be room for this complaint, but we are bound to say it is easier to make the complaint than suggest the remedy, taking all the circumstances into consideration.

(7.) *Settlers only allowed to travel Down-river on Two Boats a Week during Tourist Season.*—This complaint was made by settlers between Taumarunui and Kokakonui. The explanation of this is that certain boats are run through as quickly as possible for the benefit of tourists. The company does not wish to inconvenience tourists by crowding them together with Natives and ordinary wayside passengers on the small boats. It is in the interest of the tourist traffic to land travellers at Pipiriki at a fairly early hour in the evening, and to this end any delay is avoided. The revenue derived from tourist traffic plays an important part in maintaining the service, and we think the arrangements made for carrying tourists and settlers respectively are reasonable. There is a tendency on one hand for tourists to complain that they are sacrificed to the settlers, and on the other hand for the settlers to complain that they are sacrificed to the tourists. It would be difficult and very expensive to satisfy both.

(8.) *Goods not forwarded in Order in which they are entered for Shipment.*—We could find no proof of this. Wanganui shippers whom we interviewed stated they had never found any difficulty in getting their goods away. If there are delays in forwarding goods it is probably at the Taumarunui end. Some of the settlers, having no knowledge of business, are much in fault themselves. These complain that Messrs. Hatrick and Co. will not forward goods unless the freight is prepaid. We had to point out that they could not expect anything else. Goods may be sent by rail to a consignee care of Hatrick and Co., Taumarunui, without any arrangement being made for paying for carriage from railway-station to wharf, or for freight on the river, and then the consignee complains that his goods are delayed. In this matter the settlers

have a deep-rooted feeling that unless they are buying from Hatrick and Co. they cannot expect fair play, and nothing would convince them of the contrary.

(9.) *Disorderly Conduct on Steamers due to Drunkenness on the part of Bushmen and Others.*

—We were informed that the most disgraceful scenes at times occurred on board the steamers owing to drunkenness on the part of bushmen and others. Mr. Hatrick denies this. We were, however, told of this by witnesses whose word could not be doubted. One witness informed us that he had seen and heard drunken men using foul language in the presence of women, and that there did not seem any difficulty in men already the worse for liquor obtaining more on the steamers. From what we can gather the discipline on some of the steamers leaves something to be desired. There would seem to be a slackness which a strict captain would not tolerate. Mr. Hatrick, however, seems to think that his employees on the river service are everything that they should be, and he will not entertain any suggestion that he is deceived.

(10.) *Abuse of Packet Licenses.*—We were told that the packet licenses held by the steamers were grossly abused, and that far more liquor was sold in bottles at calling-places on the river than was consumed legitimately on board. While we were on the upper part of the river witnesses, as a rule, denied all knowledge of the illicit traffic in drink. Lower down, however, the evidence was contradictory. It was stated by more than one reliable witness that whisky was sold from the steamers to Natives and others, while other witnesses alleged they had no knowledge of the traffic in drink. Mr. Hatrick characterized the statements as a “low-down lie” made for the purpose of injuring him. Persons travelling on the steamers may go on board more or less under the influence of drink, and they may also take with them a good deal of liquor obtained in Wanganui. Allowing for all this, and even discounting much of what we heard, we feel satisfied that there is some ground for complaint. It is but fair to Mr. Hatrick to say that a reliable witness, who gave us a strong description of what he had observed, stated that the steward now employed on the steamer to which he referred was much more strict than his predecessor. This would seem to imply that the servants employed on the steamers were responsible, and that the matter was not within the knowledge of Mr. Hatrick. In such a matter as this witnesses are, of course, reluctant to speak freely, as they are often dominated by the feeling that they might be regarded as “informers.”

(11.) *Freight Overcharges and Irregularities.*—It is under this head that the great bulk of the complaints arise. From Taumarunui to Wanganui we heard the same complaints over and over again from settlers. The schedule arranged under the contract has never been printed and circulated, as we think it should have been, and it is so incomplete as to leave room for endless complaints and misunderstanding. Even as it stands we cannot free ourselves from the conviction that the schedule of rates has not always been adhered to by Hatrick and Co. It is difficult to obtain evidence of this, owing to the unbusinesslike habits of many of the settlers. One case was, however, fully substantiated. A settler on the river wrote to Messrs. Hatrick and Co. asking for a quotation for wire and its freight to his landing. The reply, after giving a quotation for wire, stated that the freight was £3 1s. 6d. a ton. The freight under the schedule was actually £2 10s. a ton. The settler wrote to the Postal Department, and Mr. Hatrick was asked for an explanation. The explanation tendered was that the settler must have wanted the wire delivered in 2 cwt. coils, and the company could not agree to handle wire so made up under £3. The settler knew that all wire sent up the river was made up in  $\frac{1}{2}$  cwt. coils, but he then wrote to Messrs. Hatrick and Co. specifically asking them for a quotation for *freight on wire in  $\frac{1}{2}$  cwt. coils*. The reply he got was a quotation for the *cost of the wire delivered at his landing*. There was no mention whatever of the freight. The settler's statement will be found at page 52 [not printed]. The whole of the documents in this case were produced for our inspection. We could come to no other conclusion than that the settler and the Department had been trifled with by Messrs. Hatrick and Co. If this could occur in one case, obviously it may have occurred in others. The settlers, owing to the want of a complete and detailed tariff, labour under some misapprehension. One man expected that he would get a package weighing 1 cwt. from Wanganui for 1s. because the freight to his landing was £1 a ton. Owing to his total lack of business experience he did not realize there must be a minimum charge on small packages of goods. Upon such premises many of the complaints were founded. Several arguments were put forth that the freight was out of proportion to the value of goods sent in small parcels. Wherever we went we heard the same thing: “If Government would see that a complete and comprehensive tariff were arranged and its contents published, so that the settlers could know definitely what they had to pay in the way of freights, much of the dissatisfaction with the river service would disappear.” The Wanganui Chamber of Commerce at a special meeting passed a resolution to the same effect. The request seems to us a most reasonable and necessary one. Government is to a certain extent hampered by the schedule under the contract, but subject at least to the terms of that schedule a detailed tariff sheet should be drawn up, and Messrs. Hatrick and Co. should

be called on to disclose in an intelligible form their charges on packages less than 1 ton in weight, on live-stock of different kinds, on grass-seed, potatoes, chaff, wire, timber, &c. In order to make the charges more readily understood by settlers we think they should show the number of sacks of standard weight and size to be taken to the ton, and similarly with other classes of goods whenever possible. Take grass-seed, for instance. The settler always knows what weight of seed he is receiving, but he may know nothing about measurement, and so suspect himself of being wronged when the charges are in order. In connection with the complaints of overcharging we should point out that the settlers do not seem to have been generally aware that their best course was to complain to the Postal Department if they thought they were being overcharged. If they complained at all it was to Mr. Hatrick, from whom they state they never could obtain any satisfaction.

At the root of the whole of the troubles in connection with the Wanganui River service is the fact that the shipowners operating on the river are also merchants competing for the supply of goods to the settlers. Obviously Mr. Hatrick is in a position to outbid his rivals in the competition for the business of the settlers, and the high rates charged from Taumarunui do not permit of successful competition from that end. In all Mr. Hatrick's invoices which we have seen the charges are for goods delivered. The purchasers of goods from Messrs. Hatrick and Co. cannot, therefore, know what they are paying for goods and what for freight thereon.

#### RECOMMENDATIONS.

The result of our investigations as set forth above lead us to the following recommendations for the consideration of the Government:—

(a.) That the subsidy paid to the Wanganui River Trust be increased by £200 per annum on condition that the dues now levied on goods be abolished.

(b.) That Mr. Hatrick's attention be directed to the high freights from the Taumarunui end, and that he be requested to consider what reductions can be effected.

(c.) That Mr. Hatrick be requested to meet an officer or officers experienced in such business with a view to making complete and more equitable schedules of fares and freights.

(d.) That schedules of fares and freights as finally arranged be printed and exhibited at post-offices, copies to be supplied on demand to settlers and others concerned; also that a footnote be added thereto pointing out that complaints addressed to the Chief Postmaster, Wanganui, will receive attention.

(e.) That an officer of the Post Office be instructed to periodically inspect the book in which Messrs. Hatrick and Co. enter goods for shipment with the view of ensuring their despatch in accordance with their order of entry, this being provided for by a clause in the contract.

(f.) That the attention of Messrs. Hatrick and Co. be called to the complaints of disorderly conduct and illegal sale of liquor, and that they be requested to repress excessive drinking on the steamers, to maintain discipline, and see that the regulations under which the packet licenses are granted are strictly adhered to.

(g.) That before calling for tenders at the expiration of the present contract a complete schedule of passenger fares and goods freights, both up and down the river, be drawn up under three different scales—a maximum, based on the existing tariff; a middle, say 10 per cent. less; and a minimum, 20 per cent. lower than the maximum—and that different tenders be called for under the three different scales.

It should be stated, in conclusion, that all the witnesses were given an assurance that their statements would be regarded as confidential.

We have, &c.,

A. P. DRYDEN,

Chief Postmaster, Wellington.

CHAS. A. PIPER,

Traffic Superintendent of Railways, North Island.

T. N. BRODRICK,

Commissioner of Crown Lands, Wellington.

The Hon. the Prime Minister, Wellington.

*Approximate Cost of Paper.*—Preparation, not given; printing (1,525 copies), £4 15s.