

Under this agreement the sums payable on account of and in anticipation of royalty were varied as follows: £1,000 to be payable within three months from the date of approval of the 1910 agreement by the Native Minister; £1,500 per annum to be paid within twelve months from the 1st day of March, 1911; £2,500 per annum thence until the 1st day of March, 1916; £5,000 per annum thereafter. Under the agreement also the date by which the railway had to be completed was extended to the 1st day of March, 1916.

In 1915 the company petitioned Parliament for protection and assistance, and under the provision of section 19 of the Native Land Amendment and Native Land Claims Adjustment Act, 1915, no remedies for default by the Tongariro Timber Co. were to be exercisable by the Aotea District Maori Land Board until after the expiration of two years from the date when the Great War should cease. By the Native Land Amendment and Native Land Claims Adjustment Act, 1922, this was amended to read "16th September, 1922."

*Egmont Box Co.*—On the 23rd day of October, 1919, the Tongariro Timber Co. entered into an agreement with the Egmont Box Co. by means of which the latter company acquired certain timber in the Whangaipeki Block at 3s. per 100 ft. (sawn measurement), and undertook to find the capital for the first five miles of railway from Kakahi, and, if called upon, to guarantee a sum of £30,000 and interest thereon towards the cost of a further four miles, receiving in return the right to have any timber and goods carried at Government rates until 1959.

In September, 1921, the company obtained an Order in Council (gazetted 16/9/21) extending the period in which the railway had to be constructed, and imposing certain conditions, as follows: Period to be extended for seven years, provided the following sections were completed within the time specified: Kakahi, 0–5 miles, two years; 5–9 miles, three years; 9–18 miles, six years; 18–Lake Taupo, 7 years—in each case from the date provided in the Order in Council. This line was to be constructed of 45 lb. steel rails (instead of 30 lb. as originally agreed), according to plans lodged with and approved by the Public Works Department, and within twelve years of the date of the Order in Council the company was to reconstruct the whole line up to Government standard as required by the General Manager of Railways, considerable deviation and tunnelling to reduce curves and grades being anticipated; and to ensure completion by due date a substantial start had to be made with the reconstruction programme within ten years of the date of the Order in Council.

Provision was also made whereby the company was to set aside the sum of 1s. 6d. per 100 ft. (sawn measurement) from the date of commencement of cutting operations, the sums not to be less than £5,000 per annum.

The proposed terminus of the line was near the mouth of the Kuratau Stream on Lake Taupo, about four miles from Tokaanu; and if the construction of this extra section of line (four miles to Tokaanu) was authorized by Parliament, then the company was to reconstruct this section within nine years of the date of the Order in Council according to Government standard, but if not so authorized within seven years the company's obligations should cease.

The provisions of this Order in Council did not take effect unless and until, within twelve months from its gazetted date, a certificate signed by the President of the Aotea Maori Land Board that all moneys due to the Natives for royalties accrued under the company's agreement up to the date of the certificate had been paid had been published in the *New Zealand Gazette*.

Under section 19 (6) of the Native Land Amendment and Native Land Claims Adjustment Act, 1921, the company was required to pay a sum of £6,000 on or before the 30th day of June, 1922. On the 30th day of June, 1922, the company paid to the Board the sum of £6,000, and on the 5th day of September, 1922, a further sum of £29,000, thus fulfilling its monetary obligations to that date.

In 1922 a petition from the Native owners was presented to the House praying that legislation might be promoted declaring that the sanctioning by special legislation of the various extensions of time for payment of royalties should not affect, alter, interfere with, or cancel the petitioners' right (if any) to claim interest from the Tongariro Timber Co. thereon. During the session of 1926 this petition was referred to the Government for consideration by the Native Affairs Committee.

On the 19th May, 1923, a deputation consisting of Sir John Findlay, Mr. R. H. Holmes, Mr. Tudor Atkinson, and Mr. Wilson (representing Messrs. Armstrong, Whitworth, and Co.) waited on Sir Francis Bell in regard to the construction of the railway. Mr. Atkinson had at the time induced Messrs. Armstrong, Whitworth, and Co. to enter into a contract for the construction of the railway at a price fixed at £650,000 (to include actual costs of construction, interest, and all other expenses). Sir John Findlay said the company could complete the line on the Holmes standard (30 lb. rails, &c.), but could not possibly carry out the requirements of reconstructing the line to full Government standard. The company had no assets and no means apart from its forests. If Armstrong, Whitworth's contract had to be abandoned, there was no hope of the company constructing any kind of line. Negotiations between the company and Messrs. Armstrong, Whitworth, and Co. eventually fell through.

By section 40 of the Native Land Amendment and Native Land Claims Adjustment Act, 1924, the Aotea District Maori Land Board was empowered (subject to the approval of the Governor-General in Council, but not otherwise) to vary all or any of the conditions of the existing agreements between the Board and the company in such manner and to such extent and subject to such conditions as the Board might deem just and not prejudicial to the Native owners of the land affected.

On the 27th June, 1924, a letter was received from Mr. Harding by the Prime Minister suggesting that the Government should acquire the Tongariro Co.'s rights. On the 28th June, 1924, a communication was forwarded by the Secretary of Forestry to the Lands Department stating that it would be greatly to the advantage of the State if these rights could be acquired.

On the 4th July, 1924, a communication was received from the Under-Secretary, Lands Department, asking for particulars as to the area, value of the timber thereon, and the price it was