

THE DEVELOPMENT OF MAORI LANDS

Before 1932, the principal business of the Maori Land Boards was the alienation of Maori land. It would be quite misleading to suggest otherwise. But change was in the wind during the 1920s, in Maori affairs as elsewhere. For the first time, serious consideration began to be given by Government to the idea of assisting Maori to develop their remaining lands. Although the boards did not lead the way in finding solutions, they played a significant supporting role under the direction of Gordon Coates and Apirana Ngata.

Maori leaders had argued for many years that their people should be provided with the same kind of assistance as European settlers in developing land for agricultural use. In 1891, for example, in his dissenting appendix to the Native Land Laws Commission's main report, James Carroll pointed out that Maori had 'a strong desire . . . to become useful settlers, and contribute to the productive wealth of the country'. 'But is it not a somewhat melancholy reflection,' Carroll asked:

that, during all the years the New Zealand Parliament has been legislating upon Native-land matters, no single bona fide attempt has been made to induce the Natives to become thoroughly useful settlers in the true sense of the word? . . . Parliament will add one more to its many blunders in administering Native affairs if, in its shortsightedness, it omits to devise means for encouraging and assisting the Natives to become useful settlers. This can be done if they are afforded facilities for rendering productive the lands they already possess.

'If similar Parliamentary neglect again asserts itself,' he concluded, 'the day may be nearer at hand than many expect when the Legislature will find itself face to face with the difficulty embodied in the question, "What will we do with our Maoris?"'¹

But the best that Parliament could manage in this direction over the next 30 years – even with Carroll himself at the helm of Native affairs for 13 of them – was to expedite the alienation of unused Maori lands, so that capital for the development of the rest could (in theory) be generated. Alternative possibilities were occasionally considered. In 1906, for example, Ward stated that the Government's policy was, first, 'To set aside a sufficiency of Native lands for the maintenance of the Natives', and then 'To as far as possible give the Natives a 'start' to farm these

1. AJHR, 1891, G-1, pp xxix–xxx. Carroll also objected to a resumption of its pre-emptive right by the Crown, and called for the investigation of Maori grievances. With respect to land development, the Under-Secretary of the Native Department in 1931 described Carroll's words as 'pregnant with truth', and stated that 'This is the policy that is now being followed out': AJHR, 1931, G-9, p 2.

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lands and to guide them in making the land productive'.² The following year Stout and Ngata recommended that Maori be provided with agricultural education to assist them in making the best use of their own land, and proposed that 'communal' training farms be established under the direction of the Maori Land Boards.³ Little, if anything, came of such initiatives. As Ngata later put it, until the 1920s 'the attempts to assist Maoris to farm their lands were sporadic and hesitating . . . No appreciable advance was made in the legislation whereby Maori farmers could be financially assisted between 1909 and 1920'.⁴

Access to affordable capital for agricultural development was a major problem for Maori farmers and would-be farmers. As the Native Department's annual report delicately put it in 1928, 'The ordinary business requisite of safeguarding investments makes the procurement of advances for Maori purposes very uncertain'.⁵ Land board records of mortgage confirmations reflect this. Under Part XIII of the 1909 Act mortgage agreements – like the various other kinds of alienations – had to be confirmed by a Maori Land Board. The only exception was mortgages in favour of a 'State Loan Department' which could, but did not have to be placed before a board for confirmation.⁶ (The data in the annual reports thus may include some mortgages held by the Crown, as well as the private ones.) Between 1 April 1911 and 31 March 1928, the boards confirmed a total of only 631 mortgages involving some 224,371 acres of Maori land. The volume could hardly be described as large, amounting, on average, to only 37 mortgages encompassing an average of barely 13,000 acres per year over the period in question, for the whole of the country (Table II.29).⁷

Table II.32: Mortgages confirmed by Maori Land Boards, 1911–1928

Year	Number	Total acreage	Cumulative acreage	Average acres per mortgage
1911–12	27	7729	7729	286.26
1912–13	32	10,957	18,686	342.41
1913–14	21	4151	22,837	197.67
1914–15	35	7971	30,808	227.74
1915–16	28	5592	36,400	199.71
1916–17	46	21,707	58,107	471.89
1917–18	46	26,835	84,942	583.37

2. 'Financial Statement', 28 August 1906, AJHR, 1906-II, pp xiii–xiv

3. AJHR, 1907, G-1c, p 22

4. AJHR, 1931, G-10, p iii

5. AJHR, 1928, G-9, p 2

6. See s 230–231. State Loan Departments were defined in s 2 as including the Public Trust Office, the New Zealand State-guaranteed Advances Office (Advances to Settlers branch), and the Government Insurance Office. Until 1912, mortgages on incorporated lands had to in favour of State Loan Departments.

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Table II.32: Mortgages confirmed by Maori Land Boards, 1911–1928

Year	Number	Total acreage	Cumulative acreage	Average acres per mortgage
1918–19	35	5270	90,212	150.57
1919–20	28	7332	97,544	261.86
1920–21	70	17,191	114,735	245.59
1921–22	36	6040	120,775	167.78
1922–23	21	3660	124,435	174.29
1923–24	21	1717	126,152	81.76
1924–25	42	50,663	176,815	1,206.26
1925–26	32	31,782	208,597	993.19
1926–27	29	6663	215,260	229.76
1927–28	82	9111	224,371	111.11
Total	631	224,371	224,371	355.58

One possible solution to this problem was to provide Maori landowners with access to surplus funds generated in the process of Maori land administration. These were substantial. In 1920, the Public Trustee held liquid assets in Maori accounts worth more than £250,000, while the various Maori Land Boards had deposits and investments worth almost £600,000, the bulk of which were held by the Public Trustee.⁸ These were comprised of surpluses and undisbursed moneys from the income which the boards received from purchases, rents, royalties, fees, interest, and sundry other payments. In 1924 to 1925, for example, the seven land boards made a total surplus of £154,134. In the same year the balance sheets showed total assets of £816,090, including £663,051 of investments of which £486,198 were held by the Native Trustee.⁹ As Chart II.2 illustrates, the boards' total assets hovered around £800,000 throughout the 1920s and 30s. Deposits with the Native Trustee declined during the 1920s from some £500,000 to around £200,000, stabilising at that level thereafter.

As a result of certain shortcomings in the Public Trustee's performance, a 'Native Trustee' was created in 1920 to take over most of his duties relating to Native Reserves and estates. Section 21(c) of the Native Trustee Act 1920 provided that the Native Trust Board could invest:

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7. Another 45 mortgages encompassing a total of 4009 acres had been confirmed before 1 April 1911.
 8. See AJHR, 1931, G-10, pp iii–iv. Land boards were empowered to invest their funds with the Public Trustee under s 78 of the 1909 Act. The Public Trustee handed over more than £800,000 in cash and securities to the Native Trustee when the transfer of assets was made in 1921.
 9. 'Native Department – District Maori Land Boards. Combined and Separate Receipts and Payments Statements for the Year ended 31st March, 1925', AJHR, B-1, 1926, Pt IV, pp 46–51.

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in advances secured by the mortgage of any freehold or leasehold interest in any Native freehold land in respect of which a partition order has been made, or in any Native land vested in or administered by any Maori Land Board, or in any Native freehold land vested in the incorporated owners thereof, to an amount not exceeding in any case three-fifths of the estimated value of the security . . .

From 1921, when the Native Trustee commenced operations, Maori Land Board funds invested with him were thus available for loans to Maori landowners. The following year, the land boards themselves were empowered by section 19 of the Native Land Amendment and Native Land Claims Adjustment Act 1922 to ‘advance moneys upon mortgage either for itself or on behalf of Natives’.

It would appear that the land boards advanced more than £250,000 on mortgages up to the end of 1930. The bulk of it came out of funds held in trust for owners – ‘Trust Mortgages’ – while a smaller portion came from the boards’ own funds –

Chart II.2: Maori Land Boards Assets and Annual Deposits with Native Trustee, 1924–40. Data from AJHR, B-1, Pt IV, 1926–41. Detailed statistics prior to 1924 are not available. The ‘Deposit’ figure is the sum on deposit with the Native Trustee at the end of each fiscal year.

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‘Board Mortgages’ (Table II.30). These investments represented almost one-third of total board assets by the end of the 1930s.

Table II.33: Mortgage lending by Maori Land Boards, 1924–30. Source: AJHR, B-1, Pt IV, 1926–31. The meaning of the distinction made in the assets section of the balance-sheets between ‘Trust’ and ‘Board’ mortgages is quite clear in the context of the legislation. Board investments in mortgages appear to have fallen off substantially after 1930, but changes in the categories used make it difficult to be certain.

Year	‘Trust mortgages’	‘Board mortgages’	Totals
1924–25	133,248	10,962	144,210
1925–26	130,504	17,077	147,581
1926–27	142,994	24,259	167,253
1927–28	193,741	22,865	216,606
1928–29	228,011	26,784	254,795
1929–30	236,142	26,377	262,519

By 1924, ‘a large portion’ of funds held by the trustee were reportedly being advanced to Maori ‘for the purpose of facilitating the improvement of their lands, and encouraging them to undertake pastoral and agricultural pursuits’.¹⁰ How much of the money invested by the boards with the Native Trustee was used for mortgage lending is not known. The decline in land board deposits during the late 1920s, however, may have been attributable in part to boards withdrawing funds from the Trustee to make loans themselves.¹¹ According to Ngata, because the enabling legislation did not limit the boards to loans to Maori, ‘considerable advances’ were initially made to Europeans leasing Maori lands. As time went on, however, the lands boards ‘gradually confined their advances to individual Maori farmers or to management committees of incorporated blocks’.¹²

The problem with mortgage as a mechanism for promoting the development of Maori land was that in many cases it simply could not be used. Unless the title to the land in question was complete, according to conventional definition, the property did not offer adequate security. Consolidation was being pioneered during the 1920s as a means of dealing such difficulties, but it was a slow and expensive process at a time when immediate results were desired. At this stage, however, it was realised that the sweeping powers over alienation which had given to the Maori

10. AJHR, 1924, G-9, p 1

11. AJHR, 1931, G-10, p iv

12. *Ibid*, p v. In this 1931 report the Native Minister included a table showing that on 31 March 1931 the Maori Land Boards had £182,299 in loans outstanding on 399 mortgages (AJHR, 1931, G-10). The balance sheets for 1930–31, however, shows the boards as having a total of £241,867 invested in mortgages and unspecified but apparently related ‘charges’ (AJHR, 1931, B-1, [Pt. IV], p 120). The £59,568 difference may have represented advances made to Europeans.

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Land Boards in 1909 offered such a solution. Because no alienation of Maori freehold land could proceed without board approval, the boards could fully protect any and all investments which they might make in Maori lands, regardless of the state of their titles.¹³ The upshot was section 8 of the Native Land Amendment and Native Land Claims Adjustment Act 1926.¹⁴ This statute empowered the Maori Land Boards, with the approval of the Native Minister, to advance money from their own funds ‘For the farming, improvement, or settlement of any Native freehold land’ and related purposes. The loan would be secured by a charge upon the land. Some £45,000 had been so invested by the Maori Land Boards by 1928, increasing to about £80,000 the following year.¹⁵

From loaning money for Maori land development regardless of the state of the title, it was a relatively short step to direct involvement in such activities. Section 3 of the Native Land Amendment and Native Land Claims Adjustment Act 1928 empowered Maori Land Boards, with the consent of a majority of the owners, to ‘cultivate, use, and manage’ any Maori-owned lands. They could:

carry on any agricultural or pastoral business or any other business or occupation connected with land and the produce thereof on behalf of and for the benefit of the owners or such Natives as may be interested in the business carried on.

The boards were given extensive powers of management for this purpose. They were also authorised to advance money from their own funds, borrow it on the security of crops, stock and other chattels, or to mortgage the land being developed for the purpose of carrying out the business. All funds advanced by the boards themselves were to be secured by a charge upon the land.¹⁶ It is not entirely clear how many ‘businesses’ were entered into by land boards under the 1928 Act, although at least two – both in the Waikato–Maniapoto district – were underway by 1931.¹⁷ This legislation may simply have been overtaken by events.

The measures outlined above made it possible to loan back to Maori the money which had been accumulated by the Maori Land Boards (and the Native Trustee) in the course of administering Maori lands, or otherwise give them access to it. But by

13. The Crown, as noted earlier, could purchase without board approval, but presumably could be relied upon not to ignore charges upon the land properly registered under s 8 of the 1926 Act (below).

14. Statutes, 1926, no 64

15. AJHR, 1928, G-9, p 2 and 1929, G-9, p 2

16. Statutes, 1928, no 49, s 3. Any Maori land could be brought under this section of the Act by order of the Native Land Court (13a).

17. The Waipipi and Kaihau Development Schemes: see AJHR, 1931, G-10, p xvi. This report stated that the Taheke and Te Kuiti Base Farm schemes were also being financed by Maori Land Boards, but also indicated (rather confusingly) that they were operated under s 23 of the 1929 Act – which related only to State-funded schemes. The explanation is that although the Taheke scheme was officially brought under s 23 on 14 January 1931, it was funded by the Waiariki board until 1933 (see AJHR, 1931, G-10, p 12, and 1934, G-10, p 24). Te Kuiti was a somewhat anomalous case. It was European land acquired by the Waikato–Maniapoto board as the result of the owners defaulting on a board loan on other property. Its use as a base farm for local schemes was funded by the board until 1932 (see AJHR, 1932, G-10, p 21, and 1935, G-10, p 9). Waipipi became a State scheme in 1932 and Kaihau in 1937 (see AJHR, 1934, G-10, p 11 and 1937, G-10, p 16) See also AJHR, 1934, G-11, pp 9–24 for a detailed critical examination of land board involvement in development work up to that time.

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Chart II.3: Net Income of Maori Land Boards, 1924–40. Source: AJHR, B-1, Pt IV, 1926–41. The ‘net income’ figures do not include opening balances, or withdrawals during the fiscal year of funds deposited with the Native Trustee.

the end of the 1920s, with a worldwide depression underway, the need for capital far exceeded the capacity of these institutions to supply it. The problem may well have been exacerbated by the sharp decline in net income which the Maori Land Boards experienced in the late 1920s, as the proceeds from land-purchasing and royalties for kauri gum and flax extraction fell (Chart II.3).

The solution adopted in 1929 by the new Native Minister, Sir Apirana Ngata,¹⁸ was to give Maori access to State funds. As he himself summarised the process:

During the 1929 session, when Parliament sanctioned a scheme for the development of unoccupied Crown lands preliminary to selection,¹⁹ it was decided to apply similar provisions to lands owned and occupied by Maoris. To overcome any delays or difficulties arising from the nature of the titles to the lands proposed to be developed, the Native Minister was authorized to bring such lands under the scope of a development scheme. Upon notification of the fact the owners were prevented from interfering with the work of development, and private alienation of any land within the scheme was prohibited. The funds for development were provided by the Minister

18. Knighted in 1927; Native Minister in the Ward Government from December of 1928.

19. Ngata was referring here to the Land Laws Amendment Act 1929. There had previously been ‘no specific authority for the Government to develop Crown lands in advance of their disposal to settlers’, although it had for some time been providing settlers with access to credit for land development: see A Gould, ‘Maori Land Development 1929–1954: An Introductory Overview with Representative Case Studies’, CFRT, Wellington, 1996, p 13.

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of Finance through the Native Land Settlement Account. The difficulties as to title were literally stepped over, and the development and settlement of the lands made the prime consideration. The Minister was armed with the most comprehensive powers, which he could exercise directly through the Native Department or delegate to any Maori Land Board or to the Native Trustee.²⁰

The principles were similar to those adopted in the 1928 legislation, but with the resources of the State to draw upon Ngata could and did widen the scope of Maori land development beyond anything previously seen.

A thorough historical investigation of the Maori Land development schemes of the 1930s is badly needed,²¹ but such a task is well outside the scope of the present study. Suffice it here to say that the Maori Land Boards were pressed into service by the Native Minister to move land development along as fast as possible. Apart from a single Native Trustee scheme, Ngata reported in 1931, the boards were being used to conduct all 'local administration'. He explained that:

These bodies had already acquired experience in making advances to Maori farmers and in passing judgement on facts relative thereto. They had custody of the titles, had local knowledge of the lands and people, and possessed staffs, both European and Maori, which with some adjustments could be made to serve the development policy.²²

This was true enough, and may have been the only course open to him under the circumstances, but the boards were not well-suited to the expanded role thrust upon them in 1929.

The National Expenditure commission reviewed the structure and functions of the Native Department, and related bodies including the Maori Land Boards, in depth in 1932. It found, with respect to land development, that the boards 'have not the administrative machinery to assume responsibility for work of this description'.²³ Shortcomings had been detected at all levels, from the management of farm properties and the launching of large development schemes.²⁴ But administration as such was not the only problem. Looking at the boards themselves, the report noted that their structure had not changed since 1913, even though:

20. AJHR, 1931, G-10, p vi

21. A useful starting-point is a set of reports recently produced for the Crown Forestry Rental Trust. See Gould; Graham Owen, 'Tikitere: The Proverbial Image 1931–1972', CFRT, Wellington, March 1996; Dion Tuuta, 'Mahoenui Development Scheme: Synopsis of Activity 1929–1957', CFRT, Wellington, 1996; and Dion Tuuta, "'Something Definite must be Done": The Ranana Development Scheme 1930–1962', CFRT (Twentieth Century Maori Land Administration Research Programme), Wellington, 1996

22. AJHR, 1931, G-10, p xvii

23. AJHR, 1932, B-4a, p 32, paragraph, paragraph 248. The Under-Secretary of the Native Department commented in his evidence to the 1934 Native Affairs Commission that the 1929 legislation 'was revolutionary insofar as the Department was concerned as it imposed an entirely new class of work upon the staff and made them subject to all the restrictions connected with the handling of public moneys. The Maori Land Boards had been up to that time almost free from Treasury control as the Public Revenues Act and Regulations applied to only a limited degree . . .', National Archives, MA 87/3a, p 3.

24. AJHR, 1932, B-4a, p 39, paragraph 329–330

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The functions of Boards have undergone considerable change since their inauguration, and the President has a heavy responsibility devolving upon him. Originally the main duty of the Boards was to protect Natives from exploitation, but the trend of recent legislation is to provide ways and means of assisting in their social and economic welfare. Their financial operations are of some magnitude.²⁵

It was noted that:

The feature of the Board's [sic] constitution is that the President has sole jurisdiction, and when sitting in company with the Registrar has a casting-vote in addition to his ordinary vote. The Boards may therefore be deemed to be 'one man' Boards. The fact that the President has jurisdiction over alienations, and that he is also the Judge of the corresponding Native Land Court district, indicates that the line of demarcation between Boards and Courts has in some respects disappeared.²⁶

The commissioners could thus see 'little objection to the Courts taking over from the boards those functions which can reasonably be vested in them',²⁷ and also observed that the other functions of the land boards had 'so changed in recent years that they are in reality branches of the Native Department, and should be recognized as such'.²⁸ It comes as no surprise that the commission concluded that the Maori Land Boards should be abolished altogether, with their 'judicial' functions (in the confirmation of alienations) being transferred to the Native Land Court and their other duties being assumed by a re-structured Native Department which also incorporated the Native Trustee.²⁹

Most of these recommendations were adopted by the Government. The Native Department – which since 1922 had been headed by the chief judge of the Native Land Court³⁰ – absorbed the Native Trust Office and the East Coast Commissioner in 1932. A 'Native Land Settlement Board' was also established which controlled:

- (a) the investment of all Native Trustee and Maori Land Board funds;
- (b) all expenditure on 'farming operations', including those by the Native Department, Native Trustee, Maori Land Boards, and East Coast Commissioner; and
- (c) the selection and appointment of all farm supervisors and managers for such operation (with the cost to be charged to the relevant agency).³¹

The Native Land Amendment Act 1932, which created this powerful new body, also relieved the Maori Land Boards of their responsibilities for confirming alienations of Maori freehold land (s 2), and dealing with resolutions passed by assembled owners under Part XVIII (s 5). These measures, Ngata told the House, would enable all of the judicial work of the Native Department to be done by the

25. Ibid, p 33, paragraph 248

26. Ibid, p 33, paragraph 257

27. Ibid

28. Ibid, pp 37, paragraph 300

29. Ibid, pp 37, paragraph 332

30. See AJHR, 1922, G-9, p 1. The chief judge became the Under-Secretary of the Department.

31. The Native Land Amendment Act 1932, no 25, s 17. In addition, the board became responsible for all purchasing of Maori lands by the Crown, the Native Land Purchase Board being abolished (s 7).

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Native Land Court, and marked ‘the first step towards reducing the status of the Maori Land Boards, and making them in effect the district offices of the reorganized Native Department’.³²

In the event, it was another 20 years before the Maori Land Boards finally vanished down the maw of the Department of Maori Affairs and the Maori Trustee. Renewed attempts were made in 1934 to have them abolished altogether. A submission to the Native Affairs commission by the Native Trustee identified ‘the chief weaknesses of a Maori Land Board’ as follows:³³

- (1) Its membership is too small and the President has too much power.
- (2) Its activities in regard to investments, farming etc., are too limited to call for expert staffing with increased administrative cost.
- (3) As it had its own Common Fund, cash in hand could not be utilised to the best advantage. This has since been remedied.
- (4) As it is a corporate body, Head Office [of the Native Department] has insufficient control to check and co-ordinate work.
- (5) The restricted nature of Board activities prior to 1930 had its effect on the officers and in comparison with the rest of the Public Service they lacked ambition and the incentive to qualify themselves for higher position. The advent of land development has shown up the deficiencies of the staff.
- (6) The existence of seven small Boards must result in increased administrative cost.

P G Pearce recommended that the Government either:

- (a) Constitute one Maori Land Board for the Dominion which would absorb the existing seven . . . [or]
- (b) Transfer all functions of the present Boards to the Native Trustee.

The first option was only mentioned, however, ‘because of the general antipathy towards the Native Trustee’.

These criticisms were vigorously rebutted by the land boards’ supporters – who were generally inclined to think that the Native Trustee’s functions and duties should be taken over by the Maori Land Boards.³⁴ The Native Affairs commission agreed with their appraisal of the Native Trustee, and concluded that there were:

32. NZPD, 1932, vol 234, p 663 (Ngata)

33. Submission by P G Pearce, ‘Reasons for the Abolition of Maori Land Boards and the action required’, MA 87/4, no I/16

34. See, in particular, the two submissions made by John Harvey in June of 1934 ‘on the Question of Abolition of Maori Land Boards and the Absorption of their Functions and Duties by the Native Trustee’ (MA 87/4 no I/17), but also the ‘Statement by Judge F O V Acheson about proposal to abolish Maori Land Boards and transfer their duties and functions to the Courts and the Native Trustee’, not dated, (MA 87/8). Acheson (the president of the Tokerau board) commented that ‘The Maori leaders should be consulted before any change is recommended or made. During many years experience in two districts I have heard many adverse comment [sic] on the Native Trust Office by responsible Maoris but never a word of praise. They regard the Native Trust Office as without a heart, with no real interest in the welfare of the Race.’

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great advantages to be derived from using the President of a Maori Land Board, who is also the Judge of the District, as the official head of Native land development in the District.

This commission called for a few changes in accounting practices, and considered that greater emphasis should be placed on assistance for individual farmers than on large-scale development schemes, but explicitly rejected the 1932 recommendation that the land boards be abolished altogether.³⁵ Although the 'Board of Native Affairs' which replaced the Native Land Settlement Board in 1934 had even more powers than its predecessor, particularly with respect to land development, the effect on the land boards appears to have been minimal.

During the 1920s, the Maori Land Boards (and the Native Trustee) were employed as vehicles for making available to Maori the resources which they needed to develop their own lands. As far as can be determined, the boards did a reasonably efficient job (and certainly appear to have been more popular with their clients than the Native Trustee). In all probability, though, the precedents which were set by these activities were more significant than the results which they produced on the ground. The land boards' resources were quite limited, and were bound up in a web of responsibilities to the beneficial owners of the lands in their care. The boards certainly had not been designed to direct Maori land development on the scale which came to be considered necessary and possible from 1929 on, and were very quickly sidelined once the need to make do with any tools which came to hand had passed. In short, the Maori Land Boards helped to set the scene for the State-assisted Maori land development of the 1930s, but were superseded by new institutions purpose-built for the administration of this massive programme.

35. AJHR, 1934, G-11, pp 25–26

