

## CHAPTER 4

### THE DEVELOPMENT OF DEVELOPMENT SCHEMES

Government assisted schemes for the development of Maori land owe much to the early influence of Sir Apirana Ngata, though Ngata's policies for the management of those schemes were not always implemented.

Ngata was undoubtedly one of Maoridom's greatest leaders of modern times. He was a lawyer and politician who never lost close contact with his people. He was to be found working with them on land development schemes or in marae rebuilding projects as much as he was to be found in the House. Still, though he knew the Maori mind well and understood Maori hopes he was not always successful in having Maori aspirations catered to. He began, for example, the development of Maori land by and for Maori communities, with Maori groups working together. Soon however, Maori land development came to be undertaken through a Department of State, usually with non-Maori managers, and the land was to be mainly settled by Maori individuals, not Maori groups.

Like other Maori leaders of his time Ngata also favoured tribal ownership of land. He realised however that the laws of individual ownership had become too entrenched to displace, given the politics of his time, and concentrated on the grouping of individual owners and titles in Maori incorporations, adapting modern concepts of corporate identity to emulate traditional control modes. Others however thought to know better and Maori incorporations did not dominate Maori land ownership except in Ngata's own tribal area of the East Coast.

When Ngata first came to prominence at the end of the 19<sup>TH</sup> century, the Crown had policies for the extensive acquisition of Maori land for European settlement. Ngata, like Sir James Carroll before him, was deeply concerned at the rate of Maori land alienation. Individual ownership offered the least protection against sales and from the 1890s Ngata actively promoted the aggregation of individual owners and the consolidation of their titles, reversing the Maori Land Court process, to form incorporations. But the acquisitions continued, with little or no thought to the future of the tribes, and the fact that the land was 'idle' was the excuse. In rejoinder Ngata proposed the wholesale development of Maori lands even if it required the elimination of those forests and swamps that sustained traditional lifestyles. It seemed that Maori must farm the land in the European way, or lose it altogether. He undertook, in the process, to convert the Maori race from the traditional horticulture to which it

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was accustomed, and the subsistence horticulture to which it had been reduced, to pastoral farming and large scale ranging. It was a formidable task but the agrarian and mental revolution required was eventually to be won. Despite later criticism of Ngata's financial controls, Ngata earned such an honoured position in the histories told at Maori gatherings, that now his status can only grow as the generations extend.

Though loans were available for the settlement of Europeans, there was no comparative funding for Maori land development for some long time, despite Ngata's urgings. With or without loan money Ngata began a long process of organising Maori villagers into working groups to start the clearing and development of their lands. No substantial funding came until the depression years of the 1920s and in that depression 'Maori land development schemes' took root. The necessary legislation came in section 23 of the Native Land Claims Amendment and Native Land Claims Adjustment Act 1929. Ngata, as the then Minister of Native Affairs, wasted no time in using the money budgeted to him, and, it was to transpire, a little more besides.

Under the 1929 Act, the development was under Ngata's direct control as Minister. Ngata combined the advantages of both ready cash and a large Maori labour supply. The pace of development was remarkable, and since the rate of expenditure was matched to immediate returns, the schemes drew favourable comment that the Maori performed better in meeting loan repayments than many European settlers.

Criticism grew of Ngata's budgetary controls and his over-expenditure of Government money. A formal enquiry resulted in Ngata's resignation as Minister and a proposal, in 1935, to re-write Maori Land Development laws.

The new law came in Part 1 of the Native Land Amendment Act 1936. In the first instance it transferred control of the schemes to what is now called the Board of Maori Affairs, serviced by what is now called the Department of Maori Affairs. The Board had formerly existed primarily to oversee the alienation of Maori land for the settlement of Maori and Europeans on freehold or leasehold farms.

Ngata opposed the transfer of control to a bureaucracy, predicting that tribal initiatives would soon be displaced by government parentalism. He was right. Owner involvement was never to be the same. European managers were introduced, farm workers were engaged by the State, the mainly voluntary gangs of villagers disappeared, and for the next forty years at least the settlement of individual farmers on smaller titles predominated.

Ngata criticised the drastic nature of some of the control powers which provided, he said, for 'a sort of beneficent despotism'. Land could be brought under development, with or without owner's consent, and upon development, all control was vested in the Board. Once ready for settlement it was the Board, not the owners that decided who might be settled, when and on what terms. The Board maintained a strict parental control of its settlers and had exclusive authority to determine the ultimate alienation. Those provisions enure, even in our times, save that some consent is now needed for development to begin. Effectively, though

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thousands of acres of Maori land that might otherwise have languished were developed through these State controlled schemes, to the ultimate advantage of the Maori people, and the State development schemes may account for most of the major Maori land developments in the country, the rangatiratanga or right of tribal control that the Treaty talked of, was lost, and tribal policies gave way to the preferred policies of succeeding governments. Today much more is done than in previous years to consult with owner elected groups in the development process and to meet annually with the owners as a whole, but a picture of the bureaucratic parentalism that Ngata had warned of became entrenched and the recent image rebuilding we fear, will need to be continued much longer before the picture will fade from view.

Ngata particularly criticised the thrust of the Act to promote individual Maori settlement with loans to Maori settlers to buy out Maori owners. Ngata preferred that the developed lands be taken over intact by Maori incorporations representative of the owners as a whole. Individual settlement was not, in his view, the Maori way and led to sales. 'I would point out to the Minister' he said in debate in 1936, 'as I did to the former Prime Minister, that he is giving the Maori something he can cash in – either a lease or a freehold title. It may be loaded with a mortgage, but it is cashable; and we are now in a period when there is a land hunger in New Zealand. So we have more temptation today, in a time of prosperity, confronting the Maori than was the case during the depression, when the scheme was started.'

The Maori preference for tribal development was once more submerged and the settlement of individual farmers became the predominant policy of the Board. just how many of those individual farmers sold, is not known to us, but we suspect, most did.

The development methodology also aroused fears that land held for development would not return to owners until generations had elapsed. This often proved to be the case. The Board works in stages, the initial 'capital development' stage envisaging substantial expenditure to achieve a maximum stock carrying capacity for the whole block in as short a time as time allows. A 'consolidation phase' follows to build up stock production and then, a 'debt reduction stage' when farming profits are used to reduce the compounded debt to a point where settlement is feasible. Unsustainable over-expenditure from the public account can find relief in provisions enabling interest remission or debt write offs but nonetheless, the development methodology implies that the block when developed will be capable of repaying the debt, and it seems, that farm prices will be maintained, or will improve at the end of the capital development stage. That was not always the case. An alternative of smaller development to establish base units able to service smaller debts but with a profit margin to underwrite further expansion may have provided a greater check against uncertainties but would not have enabled the rapid development of the bulk of Maori land.

Rapid development was needed, in Ngata's view as well, to retain Maori land for its owners, but in the views of others, as stated in the House at the time of the 1936 Bill, a major hope was also to improve Maori land in the interests of the national economy at one level, and the

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next-door neighbour at the other. Some speakers drew attention to the spread of weeds from Maori land, the failure of the Maori to enclose wandering stock, and the effect of unpaid rates on local authorities where Maori land predominated.

Certainly the intention to benefit Maoris was the intention stated in the Act. It is still stated that way in today's laws. The main purpose of the development provisions in Part xxiv of the current Maori Affairs Act 1953 is stated in section 327 as being '... to promote the occupation of Maori freehold land by Maoris and the use of such land by Maoris for farming purposes'. What is unusual, from a Maori perspective, and quite apart from the vexed question of whether individual farmers or some corporate Maori group should be preferred, is the manner in which Maoris are consistently seen in law as simply Maoris and not as Maoris see themselves, as members of particular whanau, hapu and iwi. The current section 342 requires that in the identification of suitable settlers, preference be given to Maoris, but which Maoris? No distinction is drawn between Maoris who are owners, or Maoris of the same kin group or tribe, or Maoris from other areas. There is no requirement that an applicant for settlement have the precedent support of the local tribal group or that the local group should be involved. No doubt the identification of preferred settlers from within a tribe is not easy for the bureaucrat, but even without the aid of prescriptive regulations, Maori tribes have no difficulty in knowing their own members, and in ranking them in priority according to their own criteria. Though (again) there is more consultation today, the requirement for consultation is not there and the precedent for no consultation being established, is still on occasion followed.

The settlement of individual farmers was usually by way of lease, the settler being assisted to buy the improvements and rent being distributed to owners based on the unimproved value of the land. Settlers were also assisted to buy out owners. Sometimes the Board bought up the shares of owners on sale to the settler. Often the Board had bought substantial shareholdings even before settlement and was able to settle farmers on freehold titles, for when owners had been dissociated from the actual use and occupation of their lands for some decades, and saw little prospect of returning to them, there was an inclination to sell. Often the owners had moved some years before, to town, wondering if their lands would ever return to them.

It was not until the 1970s that there was a shift in policy. A new Minister of Maori Affairs, a Maori, considered the laws affecting Maori land should recognise the kin group structure of Maori titles and Maori districts. A notable change was made in the law on the disposition of individual shares in Maori land, limiting sales to those of the land owning group or their families (see section 213). In a Government White Paper of 1973 it was also proposed, in the tradition of Ngata, to abolish the Board of Maori Affairs and resume direct Ministerial control, the Minister acting with the advice of Maori Land Advisory Committees established in districts each with predominantly Maori personnel. As it turned out the board was not abolished but Maori Land Advisory Committees were created.

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At the time of the Government White Paper the Board of Maori Affairs was responsible for 102 stations accounting for over 380,000 acres. The paper advised 'the emphasis is now being placed on the return of these stations as soon as practicable . . .' It was about then that the Board's policy shifted from the settlement of individual farmers on units within the scheme, to the return of lands intact, as stations, to incorporations and trusts representative of the owners as a whole. It was 38 years after the control of development had been vested in the Board.

There was an added advantage to the owners. Inflation had grown in an unaccustomed way and rentals under the unit leases, usually for 42 years with 14 year rent reviews, no longer gave owners adequate returns. Corporate farming with a distribution of profits seemed preferable. Accordingly it was arranged that the incorporations and trusts take over the balance owing on development debts by way of mortgages back. That represented some progress for the owners but while this method of 'hand back' had the virtue of simplicity, it did not permit the incorporations or trusts to examine the cost effectiveness of the development work, and in particular, to contest the assumption that the whole development debt in the Department's book was represented by added value to the land.

A difficulty is that the approach of Government in the mid 1970s, to recognise the tribal nature of Maori society, and in reality, to put a bit of 'Maori' into the Maori Affairs Act, was not carried through to that part of the Act that dealt with Maori land development. It was provided, by an amendment to the sections constituting the Department of Maori Affairs, that in the exercise of its functions the Department is always to consider 'the preservation, encouragement and transmission of . . . Maori customs and traditions . . . and other aspects of Maori culture essential to the identity of the Maori race'. Tribal identity would appear to be part of that culture, along with tribal mana, a word that denotes both status and authority. Those same instructions were not put into that part of the Act that governs the operations of the Board, where the Board governs and the Department merely serves. Perhaps that was considered unnecessary in the light of section 6 of the Act which provides that in the exercise of its functions and powers 'the Board shall give effect to the policy of the Government as communicated to it from time to time by the Minister (of Maori Affairs)'.

Perhaps it was thought too that all that was needed was some expansion to the Board. We have seen that in 1974 Maori Land Advisory Committees were established with Maori representation to provide more local and Maori input. Later the Board itself was expanded. It was at the time comprised of the Minister and Secretary for Maori Affairs, the Director-General of Lands, the Valuer-General, a Member of Parliament for a Maori electorate and four other representatives of the Maori people. In 1982 the 'four' was increased to nine to include in particular, the Presidents of the New Zealand Maori Council and Maori Women's Welfare League, the Chairman of the Maori Education Foundation and six others appointed by the Minister. In 1985 the Maori Trustee, who is also Deputy Secretary for Maori Affairs, was added. This expansion however, is probably primarily due to the extended duties recently

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cast upon the Board in the provision of housing, hostels, pensioner flats, facilities for culture groups, the promotion of business and the control of the lending and investment operations of the Maori Trustee.

In advising the Board the Minister of Maori Affairs was not without the benefit of opinion from Maori people. From the moment Maori people were invited to participate in policy formulation the Minister was to be swamped with recommendations, and the deluge has yet to end. On the land side they are remarkably consistent, demonstrating only too clearly that the group development and tribal recognition that Ngata spoke of, is still preferred. From the first Tu Tangata Conference hosted by the Minister in Parliament Buildings in October 1980, to the second in 1981 and thence to the Maori Economic Summit of 1984, tribal development, tribal recognition, tribal land ownership and the use of Maori land to assist tribally based training projects for young people has been a consistent theme of the resolutions, and so too resolutions calling for assistance to increase tribal land holdings through the acquisition of lands to be owned of course, by tribes, The settlement of individual farmers has barely ranked mention. The long-held call for tribal identity and autonomy still persists.

Similar proposals were to continue after those conferences through the reports of the Maori Economic Development Commission. They found expression too in the recommendations of the New Zealand Maori Council. The Council, invited by the Minister to draft guidelines for a new Maori Affairs Act, presented its report *Kaupapa* in February 1983. Land ownership, it noted, was traditionally tribal and 'the law should reflect our communal and tribal heritage by enabling Maori land to support groups and tribal projects'. 'The potential for funding tribal development programmes is heavily dependent on the capacity of the tribal resource' it noted, 'We ask the Government to recognise the substantial loss of Maori land over the past 120 years and to support and encourage Maori authorities to buy land wherever possible to restore their land base.'

Maoridom was said to be on the move but that did not mean Governments had been moved too. At least in one case these emergent policies took root. The total Maori shareholding in the Mamakumarū Development Scheme had been purchased by the Crown on an undertaking to settle Ngati Haua people. Individual settlement was not pursued, and the land, which legally had come to belong to the Crown, was settled on a trust established by the Maori Land Court to represent the Ngati Haua tribe. It was, at last, a true tribal trust, without individual ownership.

Still, a half century of parental control in the development of Maori land has established its own traditions which will take their own time to die. In more recent years the continued requests of Maoridom for tribal recognition have been more graciously received but the tribal principle is not perfected in law or official policy and is not given the attention it needs in practice. In that respect the Waiheke case was no exception, but the special circumstances attendant on the Waiheke Scheme must now be reviewed.