

CHAPTER 2

THE CONTEXT FOR THE CLAIMS

2.1 INTRODUCTION

Before examining the events that are central to the claims, it is important to understand the more general context in which the Tarawera Forest joint-venture proposal was formed. As Crown counsel observed before the Tribunal, there is a danger of ‘presentism’ in investigating matters from the past: of applying views prevailing now to a situation which the players at the time saw differently. This chapter begins by considering two matters which provide vital elements of the backdrop to the present claims: the problem of unproductive Maori land caused by fragmentation of title and the Crown-led drive to increase plantings of exotic forestry. We then narrow the focus to provide background information about the originator and chief proponent of the joint-venture proposal, the Tasman Pulp and Paper Company Limited, in order to understand the importance of the proposal to the company’s operations and overall growth plans.

2.2 CROWN POLICY FOR MAORI LAND DEVELOPMENT

2.2.1 The Hunn report, 1960

In the mid-1950s, the Department of Lands estimated that there were 4.07 million acres of Maori freehold land. The Department of Maori Affairs categorised some 1.3 million acres of that land as idle land and more than half of that amount (770,000 acres) as unsuitable for development as farmland.¹ One reason for what was perceived by successive governments to be the under-utilisation of Maori land was the chaotic state of the title to much of it. The introduction of multiple individual ownership of Maori freehold land in 1865, and the interpretation by the Native (later Maori) Land Court of the Maori customary law of succession, meant that by 1960 some Maori freehold titles had over 1000 owners.² The problems of fragmented title had long been evident by then, and it was common for administration costs to outweigh any financial returns to the landowner. In the words of JK Hunn, the deputy chairman of the

1. JK Hunn, *Report on Department of Maori Affairs* (Wellington: RE Owen Government Printer, 1961), para 122

2. *Ibid*, para 141

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Public Service Commission and Acting Secretary for Maori Affairs, in his 1960 *Report on the Department of Maori Affairs* (the ‘Hunn report’):

Everybody’s land is nobody’s land. That, in short, is the story of Maori land today. Multiple ownership obstructs utilisation, so Maori land quite commonly lies in the rough or grazes a few animals apathetically, while a multitude of absentee owners rest happily on their proprietary rights, small as they are.³

The reason why Maori owners wished to retain their ‘minute fractions’ of land was explained by Hunn as follows:

even the smallest interest in land will save that owner from being a ‘landless’ Maori, a person without ‘turangawaewae’ or standing to speak on the tribal marae.

A growing number of Maoris would readily sell their fractional interests in land; but, to the remainder, turangawaewae is an important feature of Maori culture.⁴

Absentee owners had become increasingly numerous as the ‘explosive growth’ in the Maori population led to the ‘urban drift’ of the 1950s and 1960s.⁵ In 1926, only 9 per cent of Maori lived in New Zealand cities and towns. By 1951, this had increased to 19 per cent, but just five years later, in 1956, 24 per cent of Maori lived in urban areas.⁶ And the trend was accelerating. In 1960, Hunn described this as ‘Maoris on wheels, heading fast for the towns’ in ‘an irreversible migration in search of work’.⁷ In the 1966 census, 55.8 per cent of Maori were recorded as living in urban areas, and by 1971 that figure was 68.2 per cent.⁸

The Hunn report proposed two remedies to the problem of idle Maori land: the reduction of land title to sole ownership by the elimination of ‘uneconomic interests’ through sale, conversion, and other consolidation measures and a ‘bold policy’ of rapid development of idle Maori land in ‘the national interest, including of course the Maori interest’.⁹ The engine for the latter was to be the Department of Maori Affairs, which Hunn described in terms which make plain the breadth and depth of its involvement in the lives of Maori at the time. While clearly best known for its work ‘building houses and developing land’ for Maori, the department’s ‘real interest’, as Hunn put it, was in ‘everything to do with’ Maori economic and social

3. Hunn, para 135. Hunn had been installed as Acting Secretary of Maori Affairs in January 1960 to ‘look at Maori affairs from every angle’, studying ‘the pace as well as the nature of what is being done for Maoris’ so that the Government could ‘tell whether their future is best served by going on as we are, or by changing the pace, or by changing the policy itself’: para 2.

4. Ibid, paras 136–137

5. Hunn records that the Maori population was 56,000 in 1920 and 158,000 in 1960 and that it was predicted to be ‘possibly 700,000 in 2000’: Hunn, para 6(2). In the 1966 census, the Maori population was 201,159, or 7.5 per cent of the total population: Joan Metge, *The Maoris of New Zealand* rev ed (London: Routledge and Kegan Paul, 1976), p 76.

6. Hunn, para 21

7. Ibid, para 55

8. Metge, p 78

9. Hunn, paras 123, 151–159

advancement.¹⁰ In this, ‘the scale of its activities is not nearly large enough to cope with the explosive growth of [the Maori] population . . . Relatively the Department is falling behind and needs to redouble its activities’.¹¹

Commenting on Hunn’s general conclusions, the Maori synod of the Presbyterian Church of New Zealand stated:

In all the problems which concern those charged with administration of Maori affairs, perhaps none is more complex and troublesome than that of the title and usage of the remnant of the land heritage of the Maori people.¹²

2.2.2 The Prichard–Waetford report, 1965

Following on from the recommendations of the Hunn report, in November 1964 the Minister of Maori Affairs established a two-member committee of inquiry to consider ‘measures to improve the titles to Maori land and to make for the better use of it’.¹³ Both members, Ivor Prichard and Hemi Waetford, were highly conversant with Maori land issues: the former was a retired chief judge of the Maori Land Court, the latter a special titles officer with the Department of Maori Affairs. However, despite having undertaken an extensive consultation with Maori during the year-long inquiry, their report received a generally hostile reaction from Maori.¹⁴

The 1965 report dwelled on what it described as the ‘evils of fragmentation’, for which ‘urgent drastic remedial work’ was needed.¹⁵ The report proposed extensive and very specific reforms, the most relevant here being its proposals that:

- ▶ the value of uneconomic interests in Maori freehold land be raised from £25 to £100 so that successors could not inherit shares of lesser value;
- ▶ the Crown, rather than the Maori Trustee, be empowered to compulsorily acquire (convert) uneconomic interests;
- ▶ the Crown be enabled to undertake a concerted approach to conversion for the purpose of promoting the utilisation of land;
- ▶ the Crown be enabled to sell converted interests with fewer restrictions than operated at the time; and

10. Ibid, para 14

11. Ibid, para 6(2)

12. Maori Synod of the Presbyterian Church of New Zealand, *A Maori View of the the ‘Hunn Report’* (Christchurch: Presbyterian Bookroom, 1961), p 19 (quoted in doc B81, p 10)

13. Ivor Prichard and Hemi Waetford, *Report of Committee of Inquiry into Laws Affecting Maori Land and Powers of the Maori Land Court* (Wellington: Government Printer, 1965), p 1

14. IH Kawharu, *Maori Land Tenure: Studies of a Changing Institution* (Oxford: Clarendon Press, 1977), pp 260–293

15. Prichard and Waetford, p 6

- ▶ an administrator of the estate of an intestate Maori be empowered to sell the person's land interests and, if, after two years of attempting to sell them, the interests remained unsold, the Crown be given the right to purchase them.¹⁶

Prichard and Waetford expressed their conviction that 'the great majority of Maori who were moving to town – nearly 100,000 of them in 12 years – do not wish to retain their small interests in Maori land and would much rather have the cash value of it to help them in the problems of relocation'.¹⁷ They compared this attitude with that of the Maori 'who remains in the country areas', asking about that rural dweller, 'Is he deeply, passionately and sentimentally attached to his land interests?' Their answer was 'he wants the utmost cash that the land can give him and that if any money is to be spent on his land it should be provided by the State'.¹⁸

Turning to the utilisation of Maori land and the role of the Maori Land Court, Prichard and Waetford declared that 'the Maori Land Court must in future concern itself much more with land and the user of it rather than with interests in land and the titles for it'.¹⁹ After discussing the growing importance over the previous 30 years of the district officer of the Department of Maori Affairs (acting as agent for the Maori Trustee) and the Maori Land Court registrar in 'arranging' agreements about Maori land, the report stated that 'the duty of the Court now is to find a solution which is both desirable and practical both as to size and boundaries of blocks and as to ownership[,] which solution is, at the very end, carried to conclusion by Court orders'.²⁰ The major example given in this connection was the Tarawera Forest venture, which had not been put to a general meeting of owners, let alone to the Maori Land Court, at the time that the Prichard–Waetford report was drafted. Despite that, the report appeared to caution the court against hindering the venture's implementation:

If the scheme is approved at meetings and if then applications for amalgamation of titles and transfer to the Company are placed before the Court there would be a feeling that if the Court did not agree it should have been present throughout the negotiations and have expressed earlier any dissatisfaction with the planning and the agreements which are being made.²¹

Hugh Kawharu summed up the Maori reaction to the Prichard–Waetford report as 'un-equivocal', with three dominant themes:

- (1) Fear that the proposed legislative reform would make the Maori more vulnerable than ever to the loss of his land through what in effect would be compulsory sale.

16. Prichard and Waetford, pp 6–14

17. Ibid, p 81

18. Ibid

19. Ibid, p 95

20. Ibid, p 112

21. Ibid, p 114

- (2) Belief in the latent ability of the Maori to make efficient use of the land himself.
- (3) Hope that the tools of finance and training would be made available on an adequate scale as the State's contribution to 'a joint enterprise made in the national interest'.²²

2.2.3 The Maori Affairs Amendment Act 1967

The Maori Affairs Amendment Act 1967, which gave effect to many of the Prichard–Waetford recommendations, was equally 'controversial' and was subsequently described as 'notorious'.²³ Introduced by the Minister of Maori Affairs on 3 May 1967, the first day of the parliamentary session, the 147-clause Bill was reported back from the Maori affairs select committee on 26 October, near the end of the session. Immediately, Mr MRata, the member for Northern Maori, moved that, instead of proceeding further in that session, the Bill should be referred back to the committee because of its complexity and the opposition expressed to its main principles in the large majority of the submissions made by Maori.²⁴ In the ensuing debate, the Minister described the Bill as 'the most far-reaching and progressive reform of the Maori land laws this century', and said that the select committee process had received more evidence and deliberated for a longer time than on any Bill within living memory.²⁵ All four Maori members opposed the Bill, however, a fact that was emphasised by other Opposition members in their calls for more time to be given for its consideration by Maori and by Parliament. The Government members won the vote for the Bill to proceed, however, and on 7 November, the Prime Minister moved that urgency be accorded to the Bill's committal. A vigorous debate followed, occupying 7½ hours (and some 68 pages of the closely typed *Parliamentary Debates*) and ending just before 2am on 8 November with a vote that saw the Bill proceed to its third reading, and passage by Parliament, on 21 November 1967. Kawharu records the 'private view' of one Maori member that the Bill had the effect of 'changing the whole attitude of Parliament towards Maori affairs and that the numbers choosing to speak reflected an awareness of the intense public interest in the issue'.²⁶

The debate on the Bill indicates that the Government saw it as addressing the problems of fragmentation of Maori land titles and idle Maori land in a way which would 'equalise' the laws governing Maori land and other land. As such, the Bill was thought to be a major contributor to the true equality of Maori and Pakeha, ending the treatment of Maori as 'children' unable to manage their own affairs. The Opposition, however, including its four Maori members, feared that the Bill failed to recognise vital differences between Maori and Pakeha and their relationship with land and so, by promoting conformity rather than equality, would

22. Kawharu, pp 71–72

23. Paul McHugh, *The Maori Magna Carta: New Zealand Law and the Treaty of Waitangi* (Auckland: Oxford University Press, 1991), pp 19, 348

24. M Rata, 26 October 1967, NZPD, vol 353, pp 3655–3656 (doc B69, pp 97–98)

25. Document B69, p 198

26. Kawharu, p 292

actually have the effect of discriminating against Maori and hastening the alienation of their land. Some indication of the source of these views may be seen by referring to Parts I and II of the Bill, about which – as was widely acknowledged in Parliament – the Maori submitters to the select committee had expressed considerable concern.²⁷ Part I would compulsorily change the status of, or ‘Europeanise’, Maori land with four or fewer owners, whereas the Maori Affairs Act 1953 already allowed that result to be achieved voluntarily. Part II would create ‘improvement officers’ in the Maori Affairs Department, who would have considerable powers to initiate court-approved action to improve the condition of Maori land or its administration, yet there was no comparable regime for the far greater quantity of idle European land.²⁸ Another Part of the Bill, Part IV, proposed to change the concept of incorporation of Maori landowners, bringing it into line with general company law, so that the body corporate would be the owner of the land, which would cease to be Maori land. By contrast, under the 1953 Act, when owners incorporated, they retained ownership of the land and the land remained Maori land.

Among the many speeches made in Parliament which help illustrate the speakers’ understandings of Maori, their land, the role of the Crown, and the effect of the proposed change to Maori land laws, we quote here from just two. The first statements are by the Minister of Maori Affairs, the Honourable JR Hanan:

Maori land, like any other land, is owned by defined persons and in defined shares, and so far as the law is concerned and so far as the individual owners are concerned, it is their interest in the land which is important. There are no tribal rights as such, only the rights of owners. Obviously any blocks with a large ownership are pretty close to being tribal property since so many members of a tribe or sub-tribe may be owners, but if X, a Maori, owns 40 acres of land solely on his own account, that land is his and is in no way the concern of the tribe. . . .

One of the points upon which there is a great difference of opinion arises out of all this. To what extent should the rights of the individual owner to realise his interest to the best advantage to him be subordinated to the interests of the group wishing to hold property to the exclusion of outsiders? This is the dilemma. . . . My department constantly receives from the Maori people inquiries as to how they can sell their land interests to help them and their families live a better life in their present economic circumstances. They may want a deposit to

27. There were 24 submissions to the committee and, according to Opposition member of Parliament Mr Amos, who was on the committee, only three submissions gave ‘general or broad support’ for the Bill. Of those three submissions, two were from ‘European’ groups (one of them being the New Zealand Law Society): doc B69, p 199. The Minister of Maori Affairs stated that ‘extensive representations’ on the Bill had been heard by the committee, ‘from a total of over 20 organisations and individuals covering, I would think, all areas of Maoridom in New Zealand . . . [including] the New Zealand Maori Council and bodies representing the peoples of the East Coast, the people of the Arawa tribe, Wanganui, Taranaki, Tuwharetoa, King Country, and South Island and many others’: pp 207–208.

28. Document B69, pp 208–242

build or buy a house, or they may need finance to help them carry their children through to higher education. . . . They often say that they will never go back to their original districts; that their children will know nothing of the land and its history; and that Maori land has no relevance to their lives and problems. . . . It will probably be found, in general, that the supporters of the group idea consist of those people living in the original tribal areas, while those Maori people who argue the position of individuals are persons living away from their lands in the industrial surroundings of a town or a city. There is room to believe that there are at least as many of the latter as of the former.

This is a good Bill. The effects of it are beneficial to the Maoris, and are desired by many of the Maori people. The day has come when the law must be overhauled to reduce to a minimum the cases where the law as applying to Maoris is different to that applying to Europeans. In considering Maoris and Maori land we must modify our traditional view, which is weighted heavily on the side of the rural dwelling Maori hewing wood and drawing water, and we must pay some attention to the numerous Maori people and people of Maori descent whose problems are the same as those of their non-Maori neighbours.²⁹

The next statements are by the Opposition member for Southern Maori, Whetu Tirikatene-Sullivan:

Perhaps the most pertinent and most often repeated question asked by Government members has been, Does the Maori want equality with respect to his lands? May I answer in this way: Maori organisations, Maori landowners, and Maori Members of Parliament have asked for equality in this vital respect, the right to the same opportunity for self-determination with respect to their land and its use. . . .

. . . I say that in many respects the aspirations of Maori landowners to take over the management of their own affairs and to have available to them adequate finance with which to utilise their land, are not specifically provided for in the Bill.

I believe there has been ample evidence to demonstrate that the Maori people are best able to determine for themselves what is in their best interests. All too often in the history of this essentially bi-racial society the Maori has been told what to do, has not been consulted on policy directed at him, and has not been invited to participate and contribute in the devising of laws and regulations by which he was to be governed. Too often Maori opinion has been sought after a Government proposal has been formulated, and Maori spokesmen have been thrust into a defensive role, being heard as appellants rather than as policy initiators. This Bill is an instance of that, even though Government spokesmen have praised the abilities of competent Maoris. . . . Considering the limitations on Maori self-determination, the praises sung by the Minister and the Government sound hollow; they appear meaningless

29. Ibid, pp 208–209

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platitudes smacking of an all too familiar paternalism, whatever the intentions are and however well meaning they may be. I do not question the intentions. . . .

The most fundamental desire of Maori landowners is that Maori land be retained in Maori ownership. I do not think Government members can deny that there is inadequate provision for this in the Bill. The Maori landowners want to have the right of self-determination in devising methods by which their land might best be utilised; they want an increasing share in the total administration and management of their lands.³⁰

Paul McHugh has concluded that ‘one of the biggest issues’ generated by both the Prichard–Waetford report and the amendment Act was ‘the extent and acceptability of the process of Maori consultation and consent said to lie behind both’.³¹ We note that the same issue lies behind the claims we are dealing with here.

2.2.4 Joint venture coincides with the height of State paternalism

Dame Joan Metge, writing in 1976, contrasted the 1967 amendment Act with the subsequent Maori Affairs Amendment Act passed by the Labour Government in 1974, which resulted from the adverse reaction to the earlier legislation:

The Maori Affairs Amendment Acts of 1967 and 1974 represent two opposing approaches to Maori land ownership, especially the question of Maori title. . . . The 1967 Amendment Act stresses individual rights and responsibilities and is based on the premise that Maoris should be allowed to handle their affairs like everyone else without special supervision or interference. The pre-1967 and the 1974 legislation is based on the view that the land is an asset which belongs to the Maori people, not individuals, and must be protected from alienation, exploitation and the selfish or irresponsible actions of individuals by special measures.³²

A similar point was made by Hugh Kawharu in a paper about Maori land title and development to a 1981 conference on Maori land law. He noted that in 1960:

The concept of a tribal group being trustees of the patrimony for all future generations, using, but not selling, [their land] had yet to be revived from where it had been displaced by the more pervasive belief that ‘my land is my business’, and by the paternalistic, authoritarian stance of the Crown and the Maori Trustee.³³

30. Document B69, pp 216–217

31. McHugh, p 19

32. Metge, p 111

33. I H Kawharu, ‘Maori Land Title’, paper to conference on Maori land law, 1981, p 5 (quoted in doc B81, p 10)

As will be seen, his observation of the ‘paternalistic, authoritarian stance’ of the Crown and the Maori Trustee in the 1960s is especially relevant to the present claims. It should also be noted that by 1975 opposition to the continuing alienation of Maori land had led to the famous Maori land march from Te Hapua to Parliament, and that in the same year the Labour Government had arranged the return to Maori ownership of the sacred mountains Taupiri and Taranaki.³⁴

The mid-1960s, when the Tarawera joint venture was being developed, therefore mark the high point of the paternalistic State. It took upon itself the role of arranging for what it saw as the best use of ‘idle’ Maori land in what it considered to be the best interests of both Maori and the country as a whole. In that environment, the alienation of Maori land would not be regarded as an obstacle to development. Less than a decade later, however, the prevailing attitude to the use and especially alienation of Maori land had changed radically.

2.2.5 The joint venture and the Maori Affairs Act 1953

A difficulty with the joint-venture proposal for the Department of Maori Affairs was that the Maori Affairs Act 1953, which was in force throughout the relevant period, did not provide particularly suitable machinery for implementing the scheme. As will be seen, departmental officers were casting about for solutions to this problem while Maori owners of land in the Tarawera Valley were making assumptions about what would happen, based on their own experiences with the workings of the Act. It is convenient to summarise here the provisions of the Maori Affairs Act that are referred to in later parts of this report. The following summary is based on the Act and Hugh Kawharu’s book *Maori Land Tenure: Studies of a Changing Institution*.

(1) Part xxii (ss269–303): Incorporation

Before the 1967 amendments to the Act, the owners of Maori freehold land (if there were more than three) could be incorporated by order of the Maori Land Court (s 269), and the resulting body corporate of owners could use the land in the ways listed in its objects. The possible objects were stated by section 270 and included farming the land, growing timber on it, mining it, alienating it by lease or sale, or doing any other thing specified in the order of incorporation. Importantly, the fee simple in the land was held by the body corporate on trust for the incorporated owners in accordance with their several interests (ss 273, 275). The body corporate, with perpetual succession, had all the powers of bodies corporate and all the powers expressly conferred by the Maori Affairs Act (s273), including the power to mortgage

34. Metge, p 112

2.2.5(2)

the land in order to pursue its objects (s288). It was run by a committee of management of between three and 11 persons (s292). ‘General meetings’ of incorporated owners were held as needed, with a quorum being the lesser of 20 owners or two-thirds of their total number (s300).³⁵

(2) Part xxiii (ss304–325): Powers of assembled owners

Part xxiii of the 1953 Act applied to all Maori freehold land (and European land owned by Maori), including land vested in a body corporate of owners, the Maori Trustee, or any other trustee (s304). The ‘owners’, in relation to any area of land, were the owners of the fee simple estate in that land and owners of lesser freehold estates, including life estates (s305). Part xxiii conferred various powers on the ‘assembled owners’ (s305), whose meetings were summoned by the Maori Land Court registrar, on the court’s direction, after application had been made to the court (s307). Every application had to specify the purpose for which the meeting was sought and be accompanied by the resolution or resolutions to be put to the meeting. Where the purpose of the meeting was to consider an alienation to the Crown, the board of Maori Affairs had to make the application.³⁶ Where the purpose was to consider an alienation to anyone other than the Crown, the application was to be made by the proposed alienee (s307(4)). Notice had to be given to the owners of the resolutions to be put at the meeting (s308).

Key features of the procedure at meetings (s309) were as follows: a quorum of three people entitled to vote had to be present throughout the meeting (s309(1)); proxies were allowed, but a proxy generally had to be an owner or husband or wife of an owner (s309(2), (6)); and no person claiming to be beneficially interested in the estate of a deceased owner could attend or vote until the court had made a vesting order in their favour (s309(4)). A recording officer had to be present at the meeting – either the registrar of the court or another Maori Affairs officer appointed by the registrar (s310). A resolution was carried if those in favour owned a larger aggregate share of the land affected than those who voted against (s311). Resolutions could be varied by the meeting (s312(2)). Every resolution passed had to be written down and signed by the recording officer and then reported to the Maori Land Court as soon as possible (ss313, 314). The court could be asked, by any person interested, to confirm a resolution passed at a meeting (s317).

As will be seen in the next two chapters of this report, at discussions with Maori of the Tarawera Forest joint venture, there were many references to a ‘formal meeting’ being

35. As has been noted, the Maori Affairs Amendment Act 1967 changed the nature of an incorporation so that, instead of the land being vested in the body corporate on trust for the owners, who retained their shares in the land, the body corporate became the owner of the land and the former owners became shareholders in the incorporation. As well, the land ceased to be Maori land. The outcome of the Tarawera Valley joint venture was similar, but the former Maori owners became only minority shareholders in the landowning body corporate TFL.

36. The board comprised the Minister of Maori Affairs, another member of the Executive Council, the heads of five named Government departments, and three other members appointed by the Governor-General in Council: Maori Affairs Act 1953, s 6(1).

required to approve the proposals, including references to a Part XXIII meeting. Hugh Kawharu explains that ‘formal meetings’ were not just Part XXIII meetings but meetings which took place in three broadly different sets of circumstances. The largest were meetings at which petitions were made, usually by a tribal group, to the Minister of Maori Affairs in person. There were also public meetings involving negotiation between, say, a tribal group and the Department of Maori Affairs over such things as development aid and legislation. (Both these types of meeting tended to concern tribal interests in blocks ranging in area from 1000 to 100,000 acres.) The third type of meeting, held under Part XXIII, were the most frequent and were concerned with family arrangements in small holdings – namely, those of less than 1000 acres (usually much less). Such meetings were often held in private.³⁷

(3) Part xxiv (ss326–385): Maori land development

The ‘main purpose’ of Part XXIV was to promote the occupation of Maori freehold land and the use of it by Maori for farming purposes (s326). The board of Maori Affairs could, after taking adequate steps to ascertain the wishes of the owners, declare Maori freehold land, European land owned by Maori, or (with the consent of the Minister of Lands) Crown land to be subject to Part XXIV (s330). Land subject to Part XXIV could be occupied and used by the board or its nominee or ‘disposed of’ by leasing. However, only Crown land subject to Part XXIV could be sold (s335). If the land was being leased, the preference was to lease to Maori (s342) and the maximum lease term was 50 years (s344). Any rent was paid to the Maori Trustee, who could be directed to pay some of it into a fund, to be used at the end of the lease to repay the lessee for improvements (s353). Section 376 allowed the board to enter into contracts to enable the use of land for any industry other than farming, where it thought it advisable to so use the land. In 1962, section 376A was added. It provided that, where the board thought it advisable to use any land subject to Part XXIV for the purposes of afforestation, it could do the work needed itself (ie, ‘the establishment, culture and maintenance of forests and the harvesting, use, transport, sale or other disposal of forest produce from the land’), or it could appoint the Minister of Forests as its agent for the purposes of forest management or enter into any contract or agreement or lease or licence with any person or body corporate for the purpose.

(4) Other provisions

The use of three other so-called ‘title improvement’ provisions was also discussed by Maori Affairs officers in connection with the proposed joint venture. The first was ‘combined partition’ (s182), which, in the words of Hugh Kawharu, was ‘in effect, a small-scale scheme of consolidation’ whereby:

³⁷ Kawharu, *Maori Land Tenure*, pp 212–213

the Court treats several blocks of land, contiguous or otherwise, held under different titles, as if they were all under one title. In so doing, it is empowered to parcel out to each of the several owners or groups of owners the sum of all their interests in the pre-existing titles.

It was, therefore, 'particularly useful in such aspects of land development as marae or housing projects'.³⁸ On consolidation, Sir Hugh writes: 'The principal object of a consolidation scheme is the redistribution of the interests of several Maori owners in their freehold lands, so that they can use them to better advantage'.³⁹

The two other provisions (ss 435 and 438) were contained in Part XXVIII of the Act, entitled 'Special Powers of the [Maori Land] Court'. Section 435(1) empowered the court to amalgamate titles when it was satisfied that any two or more areas of Maori freehold land held under separate titles 'could be more conveniently or economically worked or dealt with if it were held in common ownership under one title'. Section 438(1) empowered the court, subject to certain provisos, to make an order vesting Maori land in a trustee, to be held upon and subject to 'such trusts as the Court may declare for the benefit of owners of the land or of Maoris or the descendants of Maoris or for any specified class or group of Maoris or their descendants'. A section 438 trust order could not be made, however, if it appeared to the court that 'there is on the part of the beneficial owners, or any of them, a meritorious objection to the making of the order' (s 438(3)). Section 438(9) elaborated on the powers of a trustee to alienate the land held on trust. It provided that, subject to the terms of the court's order, a trustee appointed under section 438 had the same powers of alienating the land as if it were Maori freehold land not subject to a trust, and as if the trustee were the beneficial owner of the land.

2.3 CROWN FORESTRY DEVELOPMENT POLICY

2.3.1 Forestry in the 1960s

By the 1960s, New Zealand governments had promoted exotic forestry for several decades, beginning with State-funded mass plantings in the 1920s. However, concerns about the economic viability of milling, processing, and marketing the new resource had created a crisis of confidence in the mid-1930s, and plantings were scaled down until the late 1950s. Towards the end of that decade, export markets had been established for sawn timber, logs, newsprint, and kraft (wrapping) paper, and the attainment of the export goal (in place since 1932) of 1.4 million cubic metres of timber a year was in sight. Further, it was predicted that New Zealand would face a substantial timber deficit by 1975. An extensive review in 1959 resulted in the adoption by the Crown of a new State Forest Service strategy. This led to a second

38. Kawharu, *Maori Land Tenure*, p 93

39. *Ibid*, p 94

planting boom in the 1960s, which was further encouraged by the signing of the New Zealand–Australia Free Trade Agreement (NAFTA) in 1965. The strategy centred on three targets:

- ▶ an increase in annual exports from 1.4 to 4.5 million cubic metres of timber;
- ▶ 800,000 hectares of exotic forest to be planted by the year 2000 and 1.2 million hectares by 2025; and
- ▶ an increase in the national annual planting rate to between 8000 and 12,000 hectares, to achieve a spread of age classes.⁴⁰

From the first, it was envisaged that this planting effort would be evenly divided between the New Zealand Forest Service and farmers on marginal land, and there was no specific role for forestry planting by private companies. Discussion of a role for companies tended to focus on the utilisation of the timber only, to reduce the country's dependence on meat, wool, and dairy exports.⁴¹ Hence, most Government measures in the 1960s were designed to encourage farm (and local authority) forestry investment through loan schemes, grants, and other financial incentives. Price controls on sawn timber, plywood, and veneers were also removed in 1965 (though they were reintroduced in 1970). In 1965, however, possibly in part because direct incentives to farmers had failed to achieve the targeted levels of planting, and because of lobbying by Tasman and other forestry companies, taxation changes made company afforestation more attractive by enabling expenditure on forest development to be claimed against any source of income.⁴²

2.3.2 Derivation of Crown forest leases

Throughout this period, the Forest Service was investigating the possibility of leasing land for long-term forestry. As indigenous forests were clear-felled in the 1950s and 1960s, the Crown was left with large areas of cutover native bush. Some of this land was duly cleared and converted to farmland and exotic forests, and private forestry companies expressed an interest in acquiring other areas for afforestation. However, it was seen as undesirable for the Crown to sell the land as it was, and there was no legal provision for the Crown to lease the land to others for forestry. A 1964 amendment to the Forests Act 1949 authorised the leasing of State forest land to private agencies for afforestation. At the same time, the Crown was negotiating with the Maori owners of the Parengarenga, Tainui Kawhia, and Otakanini Topu blocks in Northland in order to establish commercial forests on their land to protect against sand drift. Because these owners refused to sell to the Crown and it was not considered appropriate to take the land under the Public Works Act, the Crown also had to consider a leasing arrangement with itself as lessee.⁴³

40. Document B73, pp 3–5

41. Dr Michael Roche, *History of New Zealand Forestry* (Wellington: New Zealand Forestry Corporation, 1990), pp 330, 338

42. *Ibid.*, pp 330–339; doc A4, vol 2, p 41; doc B73, p 6

43. Document B72, pp 4–5

The problem of designing a lease which could be widely applied and would be appropriate whether the Crown were the lessee or lessor was first addressed at a Forest Service meeting in February 1965, where the following needs were identified:

- a) Leases of Maori land for planting by the Forest Service.
- b) Leasing State forest land for planting by private agencies.
- c) Leasing Crown and State forest land to Tasman.

The aim of any leasing scheme had to be that the 'division of the profits must be fair and clearly understood by both parties'.⁴⁴

After discussing the weaknesses of the proposed Otakanini Topu lease, which was based on profit-sharing, the meeting decided that there would be advantages in expressing the lessor's rent from the outset as a predetermined share of stumpage revenue, or royalty.⁴⁵ The benefits included the avoidance of 'the inequities that may arise in a long-term investment owing to the changing value of money'.⁴⁶ The suggested terms for a royalty-based lease were that:

- (a) The lessor makes the land available at a peppercorn, nominal or economic rent.
- (b) The lessee establishes and manages a forest thereon (in accordance with an approved working plan).
- (c) From the production thinning stage onwards, stumpage (probably based on market value) is received for the produce and is shared on a predetermined basis between lessor and lessee.
- (d) The lessor's share covers rental he has forgone, together with compound interest thereon, plus the current rental plus a share of the profits.
- (e) The lessee's share covers the compounded costs of establishment and management (including rent if more than peppercorn), plus a share of the profits.
- (f) The proportion of the shares (80/20; 90/10; 50/50 etc) to be agreed by negotiation between the parties . . .⁴⁷

These principles indicate how each party would receive a share that allowed them to recover their respective fair accumulated costs, plus an equitable proportion of any surplus. The meeting recommended the further investigation of the royalty scheme, and Mr MB

44. F Allsop, 'Leasing Schemes', notes taken of 23 February 1965 discussions between A D McKinnon, J F Lysaght, M T Mitchell, and F Allsop, 26 February 1965, NZFS1/49/13, vol 1, Archives New Zealand (quoted in doc B72, p 5)

45. 'Stumpage' is the value of the wood on the stump – that is, the price per cubic metre for the logs delivered to the mill, less the costs of felling the trees, cutting them into logs, and loading and trucking them to the mill, together with allowances for marketing and for upgrading forest roads.

46. Memorandum from Director-General of Forests to Minister of Forests concerning leasing of land for afforestation, 25 June 1965 (quoted in doc B72, p 6)

47. Allsop, 'Leasing Schemes' (quoted in doc B72, p 6)

Grainger of the Economics Division of the Forest Service was asked to develop a leasing formula incorporating these principles.

Mr Grainger prepared an initial paper in April 1965 and a more comprehensive one in early July. These papers set out the basic theory of what was to become known as the 'Grainger lease'. The principles were further developed and, on 3 August, they were discussed with the Treasury, which requested clarification. This was provided on 17 August as follows:

The determination of a fair rental for land to be leased for afforestation presents difficulties . . . It was considered these difficulties could be overcome:—

(a) by deferring the assessment of a fair rental value until the tree crop was old enough to produce a saleable product;

(b) by charging a peppercorn rental only from the commencement of the lease until the tree crop was old enough to produce a saleable product;

(c) from the time the tree crop was old enough to produce a saleable product, by sharing the value standing (stumpage value) of the saleable product in proportion to the lessor's and lessee's investment in the tree crop at the time of main harvest at age 40 years.

ie lessor's interest – the deferred true rental value of the land compounded to age 40.

lessee's interest – the costs of planting and development of the tree crop compounded to age 40.

NB: The lessor's share (or rental value) to be expressed as a percentage of the stumpage value and to be called royalty.⁴⁸

The Treasury obtained conditional approval of the Grainger scheme from the Minister of Finance on 23 August 1965, allowing such leases to be discussed with prospective lessees and lessors, but no commitment could be entered into without the joint approval of the Minister of Finance and the Minister of Forestry.⁴⁹

Criticism and development of the Grainger leasing scheme continued over the next three years. Issues such as proximity value (an adjustment allowing for the closeness of the forest to the mill) and royalty reviews continued to be debated within the Forest Service. The scheme's complexity led to ambiguities and consequent misunderstandings by prospective lessors and other critics, both within the Forest Service and in other Government departments. A major misunderstanding by the Treasury of the application of the stumpage sharing model led to the setting up of an interdepartmental committee (comprising the Forest Service, the Valuation Department, and the Treasury) to review the scheme in October 1968. The committee finally endorsed the scheme, with further modifications, in August 1969.⁵⁰

48. Memorandum from Director-General of Forests to Minister of Forests concerning leasing of land on royalty basis, 17 August 1965 (quoted in doc B72, p 8)

49. Document B72, p 8

50. Ibid, pp 4–20

2.3.3 Maori land for afforestation

The Prichard–Waetford report in 1965 estimated that the total area of Maori land in the North Island was 3,680,656 acres, of which 515,166 acres were unoccupied but suitable for development and 399,844 acres were classified as ‘unoccupied and possibly suitable for forestry’.⁵¹ The idea of the afforestation of marginal Maori land – as opposed to its agricultural development – had been conceived only recently. In June 1962, the Forest Service wrote to the Secretary of Maori Affairs suggesting that Maori be encouraged to plant production forests on their land where it was close to prospective markets.⁵² At a meeting between Maori Affairs and Forest Service officers to discuss the matter in August 1962, the Acting Assistant Secretary of Maori Affairs, Mr R Law, stressed that his department was interested in afforestation for three main reasons: to provide employment; to put idle Maori land to some use and thereby mitigate pressure for its alienation; and to generate revenue from otherwise unproductive land. The Bay of Plenty, Northland, and the East Coast were seen as being particularly suitable. In his subsequent memorandum, Mr Law noted Forest Service officials’ advice that ‘any suitable land within reasonable distance from the existing Kaingaroa Forest, the Tasman Pulp mill [at Kawerau], or the Whakatane Board Mill Factory is an economic certainty for forestry development’.⁵³ He also recorded that the Forest Service was:

interested and anxious to acquire Maori land in this area for afforestation purposes and have themselves carried out a detailed survey of blocks which would be suitable. This shows a total of over 200,000 acres of Maori land in the Bay of Plenty area at present in scrub which is potentially suitable for developing.⁵⁴

Maori Affairs district officers were quick to approach owners, at least in the Rotorua area, about the prospect of afforestation. A report from Rotorua assistant district officer JE Cater to head office in November 1962 stated that it was ‘fairly clear’ from meetings of owners in the area that they would not sell their land but would favourably consider long-term leases, ‘if legislation is brought down enabling say 99 year leases’.⁵⁵ In fact, a Bill to that effect was introduced the same month and the resulting amendment to section 235(1) of the Maori Affairs Act 1953 allowed a lease of Maori freehold land for a period longer than 50 years where the land was to be used by the lessee exclusively or principally for afforestation purposes.⁵⁶ Mr Cater specifically noted the suitability for afforestation of ‘the Pokohu and other blocks in the area’, and, a year earlier, commenting on Tasman’s initial leasing proposal, the Treasury had noted the interest of both Tasman and the Forest Service in that same land.

51. Prichard and Waetford, p 96

52. Nichols for Director-General of Forests to Hunn, June 1962 (cited in doc A10, pp 8–9)

53. Law to Secretary of Maori Affairs, 20 August 1962, MA58/1, pt 1, Archives New Zealand, Wellington (cited in doc A10, p 9)

54. Ibid

55. Cater to head office, 8 November 1962, MA58/1 pt 1, Archives New Zealand, Wellington (cited in doc A10, p 9)

56. Section 235(1) was amended by section 18 of the Maori Affairs Amendment Act 1962.

2.4 TASMAN PULP AND PAPER COMPANY LIMITED

2.4.1 Establishment and ownership

Since the Tarawera Forest is the only example in New Zealand's forestry history of a three-party joint venture involving the Crown, Maori, and a commercial company, it is important to understand the genesis and requirements of the originator of the joint-venture proposal, the Tasman Pulp and Paper Company Limited. As will be seen, the extent of the Crown's interest in the company, and therefore its possible conflict of interest in negotiating with Tasman to gain the best terms for both itself and Maori involved in the Tarawera Forest joint venture, is of particular significance.

In 1951, in order to utilise the Kaingaroa State Forest's plantation crop, the New Zealand Government issued a worldwide invitation for experienced organisations to become involved with the New Zealand Forest Service in developing an integrated sawmill and pulp and paper mill. On offer was 23 million cubic feet (651,300 cubic metres) of exotic softwoods annually for 25 years, with rights of renewal for two further 25-year periods; that is, until the year 2030. The only firm proposal received was from the Tasman Pulp and Paper Group, of which the Fletcher organisation was the principal member. In July 1952, the Government agreed to proceed and the Tasman Pulp and Paper Company Limited was registered as a public company, with the Government taking a 16.66 per cent share in it as part of the arrangement. By virtue of its shareholding, the Crown was entitled to appoint three of the 10 Tasman directors – they were the Secretary to the Treasury, the Commissioner of Works, and the Director-General of Forests. Sir James Fletcher (the chair) and Mr JC Fletcher represented the Fletcher group, while the other five directors represented the other Tasman sponsors.⁵⁷ To ensure close management of its Tasman interests, the Crown also established a Cabinet committee for that purpose. By 1956, the Crown had increased its shareholding to 33 per cent, but that was revised again in 1959, when the Bowater Paper Corporation, a 'world-famous newsprint organisation', was invited to participate. Tasman's total share capital was increased to £8 million, with the Government stake remaining at £2 million, giving the Crown a 25 per cent shareholding. Bowater acquired a shareholding of £1.5 million, or 18.75 per cent, and £1 million (12.5 per cent) was retained by public subscribers.⁵⁸

To give effect to the Kaingaroa sales agreement, Tasman established a mill at Kawerau, the Crown assisted by establishing and improving the necessary rail and port infrastructures, and Tasman and the Crown formed a joint-venture company, the Kaingaroa Logging Company, to carry out the logging operations. In 1956, the Crown sold almost half its shares in the company to Tasman to make the two equal partners, and by 1963 it had sold its entire interest to Tasman.⁵⁹

57. Document B73, pp 8–9; Roche, pp 300–301; L Coughlan and A D McKinnon, *A Record of the Development of Tasman Pulp & Paper Co Ltd* (Wellington: New Zealand Forest Service, 1964), p 19

58. Ministry of Forests, *Report of the Director-General of Forests for the Year Ending 31 March 1960* (Wellington: Ministry of Forests, 1960), pp 27–28

59. Document B73, pp 8–9

2.4.2 Influence on prices for forest produce

The 'basic concept' of the Kaingaroa sale was:

to sell logs carrying as low a stumpage as possible, consistent with the recovery of growing costs so that the enterprise itself [ie, what became Tasman] may operate at a high profit rate and form as attractive an investment as possible. The real value of the raw material will be secured to the Government by sharing in the manufacturing profits through appropriate capital participation.⁶⁰

In his annual report for 1962, the Director-General of Forests, Mr AL Poole, described this price, which was a flat rate of threepence per cubic foot for all types of wood for 25 years, as 'very low'. He noted that, if the return from the raw material did not cover the costs of managing and improving the forest, there was 'a danger of depressing the quality of the forest itself'.⁶¹ In 1963, the original sales agreement was replaced. The new contract, starting on 1 April, was for 40 million cubic feet (1,132,673 m³) a year and was to end at the same time as the original contract and with the same extension rights. The price set was threepence per cubic foot until 1 April 1968, and threepence ha'penny from then until 1 April 1980, with no differentiation between sawlogs and pulpwood. The price was to be reviewed at the time that the contract was extended in 1980, when the sawlog price was to take account of 'current market prices', although the pulpwood price was to 'have regard to the basic concept' of the original sales agreement and any variation in production costs and quality.⁶²

In September 1965, the Crown invited applications for the purchase and use of a further 20 million cubic feet (566,336 m³), concluding on 31 March 1980, with varying rights of renewal. Tasman, which according to its then managing director, Mr GJ Schmitt, wanted to 'secure wood supply for a liner board machine that I planned to be installed following the negotiation' of NAFTA,⁶³ was the successful tenderer. The contract, concluded in October 1966, set a price of fourpence ha'penny per cubic foot for sawlogs and fourpence farthing for pulpwood, with provision for periodic price reviews until 1 April 1980, when, if the rights of renewal were exercised, all prices were to be reviewed.⁶⁴

The 1963 and 1966 agreements were known as the '40 million' and '20 million' contracts, and Crown witness Dr Andrew McEwen explained Tasman's dominance in the forestry market of the 1960s in these terms:

At the time the first contract commenced in 1955, the Tasman entitlement was equivalent to the total State forest production and to over 30% of production by all owners. The proportions dropped to about 50% of State production and 20% of national production in 1963,

60. Cited in doc B73, pp 8–9

61. Ministry of Forests, *Report of the Director-General of Forests for the Year Ending 31 March 1962* (Wellington: Ministry of Forests, 1962), p 19

62. Document B73, pp 8–10

63. Document B78, p 22

64. Document B73, pp 11–12

when the contract was renegotiated with the extra volume. With the signing of the 20 million sale in 1966, Tasman's entitlement rose to 90% of State forest production and 35% of national production.⁶⁵

As for the relationship between those contracts and the Tarawera Forest venture, in which Tasman undertook to purchase the entire crop, Dr McEwen stated:

The volume of wood available to Tasman under the two [1963 and 1966] contracts amounts to 3 to 3.5 times the annual production that could be expected from Tarawera forest once it was in full production (about 500,000 m³) sometime in the early 1990s.

From the foregoing it is obvious that the Tasman contracts, by their size, will have dominated the domestic sales of forest produce in the Bay of Plenty region and in the wider Central North Island since they were first entered into.⁶⁶

As will be seen, it was thought in the mid-1960s that the prices Tasman would pay for the Tarawera Forest produce under the joint-venture agreement would be based largely on the prices Tasman was to pay under the '40 million' and '20 million' contracts. Whether the Tarawera Forest prices were therefore 'concessionary' was a major issue both during the development and implementation of the joint venture and in evidence before the Tribunal.

2.4.3 Subsequent developments

The Crown, whose shareholding in Tasman appeared to increase to 43 per cent in 1979, sold all but a tiny fraction of its shares (0.000026 per cent) in 1980.⁶⁷ Hence, when the prices Tasman paid for timber under both contracts were reviewed in 1980 as part of the renewal negotiations, the second part of the 'basic concept' of the sale – that the State would recoup through its share in Tasman's overall profits the profits it relinquished in the sale of the Kaingaroa Forest produce – no longer applied. Crown officials therefore recommended that the price negotiations take account of 'growing costs, the return to government on its investment in forests and the overall profitability of forest including log exports'.⁶⁸ According to Dr McEwen, the April 1980 price review was based on the prices the Forest Service was obtaining from its sales at about that time.⁶⁹ The review resulted in substantial upwards adjustments, with some further annual adjustment and full reviews every five years. When those reviews fell due, because first the Forest Service and then its successor, the Forestry Corporation of New Zealand, failed to reach agreement with Tasman, the price reviews in both 1985 and 1990 were eventually determined by arbitration several years after the due date of review.⁷⁰

65. Ibid, p 12

66. Ibid, p 13

67. Ibid, p 9

68. Ibid, para 6.22.4, p 14

69. Ibid, para 6.27, p 17

70. Ibid, pp 10–12

2.4.4

In 1981, Tasman was incorporated into the enlarged Fletcher Challenge Group.⁷¹ By 1987, the Government had no shareholding in the company at all. Fletcher Challenge Paper was formed in 1996, and in that same year the company acquired the Forestry Corporation of New Zealand, which included the Kaingaroa Forest.⁷² In July 2000, Fletcher Challenge Paper was sold to Norske Skog, a Norwegian paper producer, which less than a year later, in April 2001, sold it to Carter Holt Harvey, Australasia's largest forest products company, which now runs the Kawerau mill.⁷³

2.4.4 Social impact

With its pulp and paper mill at Kawerau and its logging contracts in the Kaingaroa Forest, Tasman has been a substantial employer in the eastern Bay of Plenty, with consequent social effects on employment opportunities and housing, especially for Maori. The managing director of the Kaingaroa Logging Company, Mr MDH McKee, gave evidence at the Maori Land Court hearing on the joint-venture proposal in August 1966. He stated that, out of the company's total labour force of 479, just over 56 per cent (269 people) were Maori (as registered on the electoral rolls). At Murupara, the administrative centre of the forest, the company owned 293 houses, of which 157 (53.6 per cent) were leased to Maori; the company had also sold 24 of its houses to employees under long-term loans and, of these, 11 were sold to Maori. The figures for Kawerau were less precise, being based only on Maori names. Of the total Tasman labour force of 1640, a quarter had Maori names. Houses leased by Tasman to Maori were 150 out of 787 (14.6 per cent), and out of 115 houses sold to employees under long-term loans, 26 (22.5 per cent) were sold to those with Maori names. The court noted, however, that the forest and mill drew labour from all over the country.⁷⁴

In September 2000, in preparing the Crown's evidence for the Wai 411 inquiry, historian Dr John Battersby interviewed former managing director of Tasman Emeritus Professor Schmitt (as he is now). Professor Schmitt noted that:

very many of them [Maori] were employed in the Tasman sawmill and in Tasman's logging operations. The wage earning population of the area was very largely Maori . . . [and they] were employed because they were good loggers, saw-millers and machine operators, and they were in the area.⁷⁵

In response to the Tribunal's request for more information on the social effects of the Tarawera Forest joint venture, Tom Cass, the corporate manager of MIL (the Maori share and debenture holding company set up under the joint venture), compared the population and

71. Roche, p 363

72. <http://www.fcl.co.nz>

73. <http://www.norskeskog.no>; <http://www.chh.com>

74. Document A33, pp 1X1-1X2

75. Document B78, p 7

unemployment rates in Kawerau in the 1966 and 1996 censuses. According to Mr Cass, in 1966 the total population of Kawerau was 5826 and the unemployment rate 0.7 per cent. Over the previous five years, the population had increased by 29.7 per cent, as compared with 'a growth rate for Maori in the Bay of Plenty of 12.7%'. In 1996, he stated, the total population of Kawerau was 7830, having decreased by 6.1 per cent over the previous five years compared with a 7.2 per cent increase for the whole of New Zealand. Overall unemployment in Kawerau was 17.6 per cent, compared with 7.7 per cent for all of New Zealand, and the rate for Maori was 25.3 per cent, compared with 17.5 per cent for all Maori in New Zealand.⁷⁶ Against that backdrop, Mr Cass stated his view that, while some local labour was used in the developing and early harvesting of the Tarawera Forest, the Tasman mill had been a greater employer. Further, he said, 'The employment opportunities, in the main, advantaged the influx of people into the area rather than the original owners in the land.'⁷⁷

2.5 SUMMARY

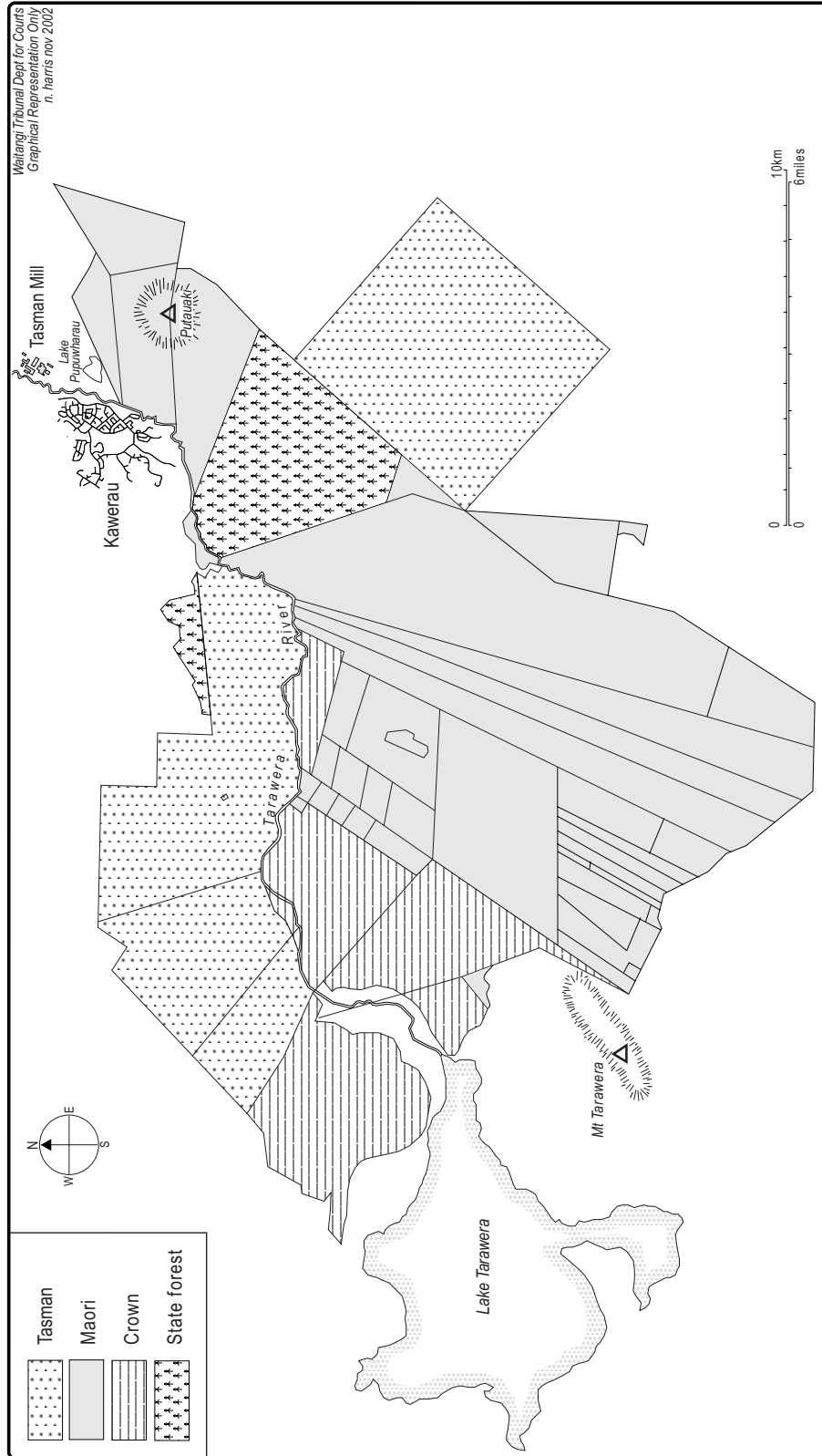
The key points made in this chapter are:

- ▶ The 1960s was a time of great concern by the Government for, and heightened interest among Maori in, the productive use of Maori land. In this, the Government adopted a paternalistic attitude, assuming that it knew best what was most suitable for Maori in the best interests of both Maori and the country as a whole.
- ▶ The 1960s was also a time of great interest in forestry development, especially on land unsuitable for agriculture. The State assumed a major role in developing forestry projects, and the Forest Service was devising a leasing formula that would give fair returns to both lessee and lessor.
- ▶ Tasman was a dominant player in New Zealand's forest produce processing industry.
- ▶ Tasman's joint-venture scheme did not fit comfortably with any of the existing legal machinery for dealing with Maori land.

76. Document B68, p 4

77. Ibid, p 4

THE TARAWERA FOREST REPORT



Waitangi Tribunal Dept for Courts
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	Tasman
	Maori
	Crown
	State forest