

CHAPTER 2

HISTORICAL OVERVIEW

2.1 THE TURANGI DISTRICT FROM THE 1920s TO THE 1960s

2.1.1 Introduction

Before the Ministry of Works and its bulldozers arrived in October 1964 to begin work on the new Turangi township, the southern shores of Lake Taupo were a quiet rural area with a predominantly Maori population. Each hapu of Ngati Tuwharetoa had its own marae with a cluster of houses and a church nearby. The Waihi village was the home of Ngati Turumakina. At the Tokaanu village, Ngati Kurauia had their marae. Ngati Turangitukua were based at Hirangi Marae, Ngati Rongomai at Hautu, and Ngati Hine at Korohe (fig 3).

The Tokaanu village was also a European settlement, having been established as an Armed Constabulary post in the early 1870s. The Tokaanu Hotel was built soon after, and the village became known for its thermal attractions, particularly its warm bathing pools. Travellers from the north took a coach to Taupo township and then went by steamer to Tokaanu, which became a centre for excursions to the volcanoes, or a stopover en route south by coach via Waiouru. In the 1880s, a courthouse (which was to be used mainly by the Native Land Court) and at least two other hotels and three stores were built. In the 1890s, travellers could take an alternative route south by coach from Tokaanu via Raetihi to Phipps and then by steamer down the Whanganui River. Tokaanu was on the tourist route until the early twentieth century but was bypassed when all-weather roads were completed around the eastern shores of Lake Taupo.

The Turangi village, in an area formerly known locally as Taupahi, grew from a fishing camp in the late 1920s. A bridge had been constructed over the Tongariro River in 1891, but Hatch's Camp, later known as Taylor's Lodge, was the first Pakeha settlement. In 1931 a post office was opened there and local elders named the settlement Turangi, an abbreviated form of both the ancestral name Turangitukua and the name of the local hapu, Ngati Turangitukua.¹ Trout fishing was the principal attraction at Turangi. Bridge Lodge was constructed in 1932 and several Crown sections were auctioned in the 1930s and became the nucleus of a small fishing village. In the 1940s, the Tokaanu school was moved to Turangi, and a district high school was later added to it. Aside from the two local prison farms, Turangi in the 1950s remained a sleepy fishing hamlet.

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2.1.2 Land development schemes

The 1930s saw the beginning of several land development schemes on Maori lands at Pukawa, Tokaanu, Korohe, and Tauranga-Taupo. Development work on the two prison farms at Hautu and Rangipo had already begun in the 1920s. The Tokaanu development scheme, on which the new Turangi township was constructed in the 1960s, is described in the next section. The 1920s and 1930s also saw the expansion of timber extraction in the west Taupo forests between Tokaanu and Taumarunui. Some 30 timber mills were opened in the vicinity, and Tokaanu became a 'bustling centre'.²

The expansion of Tokaanu as the commercial centre of the southern Taupo district was severely curtailed by flooding in the 1940s. The natural range of water levels in Lake Taupo, according to hydrographic records kept since 1905, was from 355.955 to 357.746 metres above sea level. Following the construction of the Taupo control gates in 1941, the lake level was maintained at high levels, but not above the natural flood level, for long periods. This resulted in numerous complaints about flooding along the lake margins, and the low-lying Tokaanu area was badly affected. The Lake Taupo Compensation Claims Act 1947 allowed for compensation claims where marginal lands had been damaged.

Under section 33 of the Finance (No 3) Act 1944, the Minister of Works was given power to remove the Tokaanu township to a new site if necessary. The town was not removed, but the agricultural potential of the surrounding lands was impaired, particularly the low-lying blocks in the Tokaanu development scheme.

2.1.3 Lakeshore protection

By the early 1960s, the potential conflicts in the development of land for farming; the planting of exotic forests; the preservation of scenery, wildlife habitats, and Lake Taupo's water quality; the maintenance of the trout fishery; and the pressures for urban subdivision around the lake suggested to local authorities that measures to protect the lakeshore environment were needed. In 1963 the Taupo County Council appointed a committee comprising the county engineer, G B Burton, a registered surveyor, L H Cheal, and a town planning consultant, A L Gabites, to consider these matters. In the introduction to their report to the council in March 1964, the committee reviewed the scope of the problem and suggested that more land be retained in a natural state to slow down the run-off of water from developed land.³

With the report, the committee included a map of areas around Lake Taupo which it recommended should be set aside as reserves, a proposal which became known as the 'lakeshore reserves' (fig 3). While some of the proposed areas were already Crown land, most of the proposed reserves around the southern shores of the lake were in Maori ownership. Where possible, the committee recommended the acquisition of these areas by exchange for suitable Crown lands within the district.⁴ In September 1964, the Taupo and Taumarunui County Councils, supported by the Waikato Valley Authority, made a joint approach to the Government. They had consulted with the Tuwharetoa Maori Trust Board and had given assurances that a fair price would be negotiated. The local bodies made it clear they did not wish to 'deprive the [Maori]

owners of their rightful heritage' but stressed the need for the 'co-operation and good will' of the owners if the scheme were to be successful.⁵

Cabinet set up the Officials Committee on the Lake Taupo Reserves, which recommended in June 1966 that the Department of Lands and Survey administer the lakeshore reserves. Meanwhile, both the Taupo and the Taumarunui County Councils had designated the proposed reserves in their respective district schemes. In 1968 the Taupo Basin Co-ordinating Committee was established to represent both central government and local authorities. The acquisition of lakeshore reserves was to be undertaken by Lands and Survey, a process quite separate from the Ministry of Works' acquisition of land over the same period.

2.1.4 The Turangi village

As discussed, before the township development, the Turangi village remained a small Pakeha fishing settlement with a number of Maori households along the old State Highway 1 (SH1). Maori homes were also scattered along the old State Highway 41 (SH41), now called Hirangi Road. The total population was about 500 people. Terewai Grace described the Turangi community in her submission to the Tribunal:

When I came to this area in 1953, Turangi was a fishing village. It was a prosperous little community which survived mainly on tourism from trout fishermen. There was a post office and a few shops but the main shopping centre was at Tokaanu. The Grace family farm, where I went to live with my husband and family in 1959, took up most of the area where Turangi township is today. There was a small settlement on the outskirts of where the town is now, with houses running along the riverbank.

At that time the school was the centre of community activities. Working at the school at that time [were] the headmaster, his wife (who was also the infant mistress), and myself. We also had a probationary assistant who had just graduated from teacher training.

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It was a very united community. Pakeha and Maori homes ran along the same streets, although on the street that is now Hirangi Road but was then Highway 41, all the homes were Maori because it was Maori land. The Maori people were either Ngati

Turangi or related hapu. Everybody knew everybody else. As far as I was concerned, it was an ideal place to live in. It was a beautiful, friendly, rural community. (A21(2):1-2)

Most of the surrounding land was owned by Maori, and some of it was within the Tokaanu development scheme. The social organisation was predominantly Maori and centered on local marae. The Pakeha population was principally concerned with tourism and trout fishing and fitted in with local lifestyles. Before the Ministry of Works arrived in Turangi, there was little to disturb the quiet tenor of rural life on the southern shores of Lake Taupo.

2.2 THE TOKAANU DEVELOPMENT SCHEME

2.2.1 Introduction

In the late 1920s, the Native Minister, Sir Apirana Ngata, introduced a policy of administration of Maori lands in multiple ownership which would maintain Maori ownership and allow the development of productive farm units. The statutory provision for this was set out in section 23 of the Native Land Amendment and Native Land Claims Adjustment Act 1929, subsection (1) of which described the purpose of development schemes as the:

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better settlement and more effective utilization of Native land or land owned and occupied by Natives, and the encouragement of Natives in the promotion of agricultural pursuits and of efforts of industry and self-help. (B12(a):15)

Under section 23, the Native Minister had the power to undertake a wide range of development activities on Maori land held under schemes, including draining, cleaning, fencing, roading, and so on, as well as erecting buildings and purchasing livestock.

The Minister could also delegate these powers to a Maori land board or to the Native Trustee. All funds expended on land development were to be paid out of the Native Land Settlement Account and charged, with interest, against the lands being developed. The intention to include any lands within a land development scheme was to be advertised in the *New Zealand Gazette*. Once gazetted, no owner could ‘exercise any rights of ownership in connection with the land affected so as to interfere with or obstruct the carrying out of any works’, except with the consent of the Native Minister.

2.2.2 The effect of a land development scheme

In effect, the establishment of a land development scheme removed the control of almost all activities on the gazetted lands from the Maori owners and placed it either with a Maori land board or with the Native Trustee and, ultimately, with the Native Minister. In practice, the day-to-day farm management and financial control of a land development scheme was in the hands of officers of the Native Department (later the Department of Maori Affairs) and a farm manager appointed by the department.

2.2.3 The genesis of the scheme

The Tokaanu development scheme had its genesis in a meeting called by the Native Trustee at Hirangi Marae in July 1930, following which a list of ‘the blocks which are to be dealt with immediately’ was forwarded to the Native Minister (B12:2). On 14 August 1930, a list of 34 Waipapa, Tokaanu, and Hautu blocks, totalling some 2923 acres, was gazetted as the Tokaanu development scheme (see fig 4) (B12:3). In October 1930, a report sent to the Minister indicated that work had already begun, and a house and other buildings were to be constructed near Hirangi Marae. Later that month, 31 acres of the ‘Hirangi Reserve’, the Waipapa 1A block, were added to the scheme (B12:3). In December 1930, the Minister

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revoked the earlier notices and applied the provisions of section 25 of the recently passed Native Trustee Act 1930 to the Tokaanu development scheme (B12:3). The control and management of the lands were thus vested in the Native Trustee, who was given powers similar to those provided to the Native Minister under the Native Land Amendment and Native Land Claims Adjustment Act 1929 to undertake land development 'for the benefit of the beneficial owners'.

Ngati Turangitukua owners were unhappy with the Native Trustee's administration of their lands. In October 1931, Puataata Alfred Grace informed the Minister that the Maori owners felt that:

the management of the operations in connection with the present scheme so far has been disappointing, and there has been unnecessary waste of money, and [we] will welcome a change-over to the Native Department. (B12:4)

In February 1932, Grace wrote again to the Minister suggesting that he visit the scheme because the owners of other blocks wanted to have their land included. On 22 February, he also wrote to the Native Trustee asking for a meeting at Turangi to discuss local complaints, explaining that the:

present feeling is mistakes have been made involving a fair amount of money, and if this can be shown to be so, then we will respectfully expect any losses occasioned thereby to be written off. (B12:4)

The Director of Native Land Settlement, G P Shepherd, was sent to investigate and he reported to the Minister on 31 March 1932. The director described 'a very formidable array of complaints', which could be summed up as 'the capital expenditure is too high', and he was of the opinion that 'too much had been attempted and too little completed in the way of establishing pastures' (B12(a):73). The Minister subsequently applied to the Native Land Court for an order to release the scheme lands and vest them under section 522(3) of the Native Land Act 1931, which contained similar provisions to section 23 of the Native Land Amendment and Native

Land Claims Adjustment Act 1929. The order was issued and the Tokaanu development scheme thereafter became the direct responsibility of the Board of Maori Affairs and the Native Department.

2.2.4 Additions to the scheme

From 1932 more blocks were added to the scheme, including a substantial area in the Ohuanga North block (see fig 4) (B12:29–32).⁶ In 1935 over 2600 acres were under development and the scheme employed 22 workers (B12(a):29). By 1937 the scheme carried over 300 beef cattle and some 3500 sheep and was divided into 10 units. The units had been allocated to settlers and houses had been erected for them. It was envisaged that the construction of the road to Taumarunui would make dairying a viable proposition (B12(a):25–26).

In 1937 some 1658 acres of several Hautu blocks were also gazetted as the Korohe development scheme (B12(a):36). There were also land development schemes established in the 1930s on Maori lands at Tauranga–Taupo and Pukawa, which provided work for unemployed Tuwharetoa people. Some of the development work on the Ohuanga North blocks was ‘carried out by members of the Ngapuhi tribe brought down from North Auckland to relieve unemployment in that district’ (B12(a):34). During the 1930s, Maori land development schemes were seen by the Government as not only contributing to the national expansion of productive farm land, but also providing employment to alleviate the poverty of the depression years. Land development in this period involved a great deal of hard labour. It was not until the 1950s that heavy machinery, such as bulldozers and giant discs, was used for land development in the Taupo district.

2.2.5 Attempt at dairying

In the 1940s, the expansion of land development schemes everywhere was curtailed by the wartime requirements of manpower and material. In 1943, however, dairying was introduced on the Tokaanu development scheme. An earlier attempt at dairy farming in the 1920s had supplied a Maori-owned butter factory at Waihi set up by a Roman Catholic priest, Father Langerwerf. Water power from Waihi Falls was used to generate electricity. However, the remoteness of the area from markets and the inadequate area available for suitable pasture meant that butter production was uneconomic. The factory operated for eight years and was then converted to a sawmill.⁷ The Tokaanu dairy farmers were a little better off in the 1940s but, even so, transport costs were considerable because the nearest dairy factory was at Kaitieke, 69 kilometres (43 miles) away (B12:11).

2.2.6 Development scheme problems

Land development on the Tokaanu scheme was beset by problems. Many of the blocks were low-lying and waterlogged, and some became swamp in the 1940s when Lake Taupo was maintained at high levels. Some of the better drained lower terraces of the Tongariro River were made up of river gravels which would not support good pasture. Many of the southern blocks on the slopes of Pihanga lacked an adequate water supply and dried out badly in the summer. The depredations of rabbits became a perennial problem, and a constant battle was fought against noxious weeds, particularly blackberry and ragwort. Department of Maori Affairs files suggest that a lot of money was spent with little to show for it. Some of it was written off (B12:11), but we have not reviewed specific figures for development debt over this period.

The Board of Maori Affairs was the effective legal owner of the Tokaanu development scheme, and the objective was to establish separate farm units occupied on a leasehold by a 'settler' and her or his family. Any attempts by individual Maori owners or their families to seek the use of parts of the scheme lands were usually firmly declined. In the late 1940s, leases granted to eight local men comprised an area of some 4440 acres (a total of 6500 acres had been gazetted in the scheme by 1943). The unit farms affected by raised lake levels had to be abandoned. A 1956 report indicated that, of the 7039 acres then in the scheme, only 2914 acres were farmed by settlers, with 4125 acres farmed as a station (B12:14–16). Two more leases were granted in 1957.

2.2.7 1956 scheme review

Staff of the Department of Maori Affairs in Wanganui reviewed the scheme in 1956. Several Tokaanu and Hautu blocks in the Tongariro delta were released because they were now too swampy for farm development. A number of other blocks were also released, including an urupa, the Waipapa 1G block, and areas required by owners as house sites (fig 5). In recommending the release of the latter blocks, the district officer in Wanganui explained that they had initially been designated for housing and should never have been gazetted as part of the scheme (B12(a):77). At the same time, an adjustment of the boundaries of the Ohuanga North 3A2 and 3B2 blocks was made by way of exchange with adjacent Crown land so that the bush area on the upper slopes of Pihanga could be incorporated in the Tongariro National Park. Similar boundary adjustments were made in 1962 on Ohuanga North 1B2 and 3B1.

There was, however, still a considerable burden of debt on the scheme. In January 1957, the district officer in Wanganui reported:

The history of this scheme is well known to the Department. It was commenced primarily as a means of absorbing Maori labour during the depression years, and adequate results were not obtained from the large number of men engaged. It is admitted that a large proportion of the labour cost was subsidised, but there is every indication that the debt today includes monies charged to the scheme for work which has not created assets. Other factors were lack of fertiliser in the War years and the rabbit menace which necessitated almost total renewal of pastures. Unforeseen difficulties were encountered with water supplies on the Ohuanga Block, and areas on which part of the early expenditure was probably incurred, and which have been abandoned owing to raising of the Lake level. A certain amount of compensation was received on account of this latter factor, but did not cover the cost (as apart from the value) of the assets damaged or destroyed. (B12(a):85–86)

It was proposed that ‘subdivision and settlement’ of the scheme lands should occur and four settlers (Harry Nganangana Te Rangi, Puataata Alfred Grace, Tutemohuta (Sonny) Te Rangi, and Elwyn Grace) should be established on leasehold farm units. By 1960, however, it was considered that the two units settled in 1957 and farmed by Sonny Te Rangi and Elwyn Grace were uneconomic and should be amalgamated and further development work should be carried out. Te Rangi and Grace were persuaded to surrender their leases and were promised settlement at some future date (B12:16–

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17). This did not happen, although both continued to work for wages on the scheme. A report in March 1960 stated, 'It will have to be recognised that settlement was premature and the men have not had a fair go' (B12(a):117).

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The surrender of these two leases was part of a total review of debt liabilities on the Tokaanu development scheme in early 1960. It was recorded that:

To all intents the old scheme has been wound up, the residual land should be released and the loss established. Many factors contributed to the large amount outstanding and these should be put on record and the amount frozen until such time as a formal write off is applied for. (B12(a):117)

Three leasehold farm units were operating on the scheme lands west of the Tongariro River; those of Puataata Grace (taken over in 1959 by his son Arthur), Harry Te Rangi, and William Reneti (Ned) Church. On the Hautu blocks across the river were the units farmed by Lang Grace, Walter Ngahana, and P Smallman. Of the total area gazetted (some 7040 acres), about 1876 acres had been released, 2914 acres were farmed by settlers on leaseholds, and the balance, some 2250 acres, mainly on the Ohuanga North block, were farmed as a station. Included in this latter area was a strip of about 38 acres, part of the Ohuanga North 5B2 and 5B3 blocks, fronting on the old SH1 (now Taupahi Road), which had been reserved for subdivision for housing purposes (B12(a):110). A total debt of £17,895 had been calculated in 1960 in a 'loss on disposal' statement prepared for audit (B12(a):116). No immediate action to write off the debt was taken.

2.2.8 The need to upgrade the scheme

On 15 October 1962, a meeting of owners in the Tokaanu development scheme was held at Tokaanu. The assistant district officer informed the meeting that the Board of Maori Affairs had approved the extra finance to bring the scheme up to the station stage, and had waived interest payments on £10,000 of scheme debt (B12(a):104). He also explained that there was a further loss of £3009 for the preceding year, but ‘this position would right itself when the new programme was underway’ (B12(a):104). Much of this loss derived from the purchase of stock. What was now described as the Tokaanu development scheme was the balance area of something over 2000 acres, of which only 874 acres were in grass. Some disappointment was expressed by owners that water had not been provided years earlier to support a larger number of cattle and prevent reversion to fern. Fearon Grace commented that ‘The owners feel that they have been let down. It does not encourage us to work with the Department’ (B12(a):106). The assistant district officer explained the financial situation:

The value of the land and improvements on this scheme is £15,900 which together with the value of stock and plant (£9,803) makes a total value of £24,703. The debt to the Crown of £34,123 represents £39 per acre. On a notional realisation the value would be £28.7 per acre. (B12(a):107)

The field supervisor explained further:

This scheme has had to be rejuvenated. In 1960 there were 600 odd ewes and 50 cattle. In 2 years we have over doubled the carrying capacity.

During the last winters 40 acres of crop were sown for sheep and 60 acres of new grass were sown. We have just finished sowing the second part of 100 tons of manure . . . and about 3,000 bales of hay cut.

This coming year we will be running water up the hill and cropping some of the lower fern faces. (B12(a):107)

The district field supervisor commented:

I can see that this scheme is going ahead. We hope to further increase stock with the accent on cattle. Wool production has increased from 9,000lbs to 13,000lbs. The management this year has been better. We now have Board of Maori Affairs authority and we can move a little faster with Development. (B12(a):107–108)

The impression given by the Department of Maori Affairs officers was optimistic. It was intended that Sonny Te Rangi and Elwyn Grace would eventually be settled on the scheme, but the area developed so far was not sufficient for two units. There was a large debt, but the impression given was that production would increase, funds for further development were available, and the debt would be farmed away in subsequent years.

The Tokaanu development scheme has been outlined in some detail because, within a couple of years, everything was to change. The settlers' farms of Arthur Grace, Harry Te Rangi, and Ned Church were massively affected by the Tongariro power development. The Grace farm lease was taken over by the Ministry of Works and became the Turangi township. The valuable lower flats of the station in the remaining Tokaanu development scheme were affected by the industrial area and later by the Turangi golf course. These impacts will be outlined in later chapters.

2.3 THE TONGARIRO POWER DEVELOPMENT

2.3.1 Brief description

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The Tongariro power development (TPD) comprises a system of river and stream diversions through canals, aqueducts, tunnels, and lakes from the catchment areas of the Tongariro, Rangitikei, Moawhango, Whakapapa, and Whanganui Rivers. All this water is collected in some small hydro lakes and in Lake Rotoaira. En route, some of this water powers the turbines at Rangipo Power Station. From Lake Rotoaira, the water is sent through a tunnel to the penstocks and powerhouse of Tokaanu Power Station and out to Lake Taupo through another canal, known as the Tokaanu tailrace (fig 6). The Put investigations. The preliminary indications were that the collection of water at Lake Rotoaira was economically viable. There were also some protests at this stage about the diverting of water from the upper Whanganui River catchment area. The consultants produced a preliminary report in 1957 setting out a number of options for power development which could proceed in stages. In 1962 Gibb and Partners produced a more detailed report on a proposed stage 1, called the 'western diversion', which carried upper Whanganui River waters through tunnels into the new lakes Otamangakau and Te Whaiiau, and thence to Lake Rotoaira. This additional water would allow the generation of an additional 420 gigawatt-hours annually at the several power stations already constructed on the Waikato River. Stage 2 of the TPD envisaged the construction of a power station with three generating units at Tokaanu. To make maximum use of the head of water in Lake Rotoaira, which would be carried by tunnel to penstocks above the power station, the station would be almost at the level of Lake Taupo. The water would be discharged into Lake Taupo through the Tokaanu tailrace. Stage 3 would include the 'eastern diversion' canals and tunnels and the construction of the Rā

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1. B Cooper, *Te Mata o Taupouui a Tia: The Head of the Lake*, Turangi District Historical Society, 1982, p 5
2. Cooper, p 27
3. G B Burton, L H Cheal, and A L Gabites, *Committee on Lakeshore Reserves Report to Taupo County Council*, cyclostyled report, 1964, p 1
4. *Ibid*, p 9
5. Taupo County Council, *Lake Taupo, Handle with Care*, Taupo Times, 1965, p 13
6. *New Zealand Gazette*, 1932, p 740; 1937, p 2161; 1938, pp 524, 1004; 1940, pp 247, 2768; 1941, pp 72, 3722; 1942, pp 359, 3178; 1943, pp 1292, 1434
7. Cooper, pp 26–27