Maori Land Development with Particular Reference to Land Development at Poutu, Northland

by

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I. Introduction

The Maori people always had a close spiritual relationship with the land. They regarded it as the sacred trust and asset of the people as a whole, and their system of communal ownership worked in the best interests of the people and the land. The whole of New Zealand was divided into distinct regions with carefully defined borders occupied by individual tribes and related hapus.

> The individual... had the use of particular portions and his neighbours respected his allotment as he respected theirs. He had the use of the land during his lifetime and his heirs had the use of it during their lifetime.[1]

The question of it being a saleable asset was not considered by the Maori, until Europeans lured him with their manufactured goods into transactions that he scarcely understood. Within fifty years of the establishment of British Government in New Zealand, the Maori people had lost most of their ancestral lands and the alienation of what little remained continues to this day. Of the original Maori estate of sixty-six million acres recognised under the Treaty of Waitangi, twelve million acres remained by 1891, seven million by 1911 and five million by 1917. Until then, official concern had been directed to devising the best means of alienating the land.

The acquisition of land from the Maoris and the extinction of their customary title can be divided into two distinct periods. The first commenced with the signing of the Treaty of Waitangi in 1840 and continued until the establishment of the Maori Land Court in 1865; and the second, which began in 1865, still continues.

The second article of the Treaty of Waitangi guaranteed to the Maori people "the full, exclusive and undisturbed possession of their properties ..." It went on however, to give the Crown the exclusive right of pre-emption over such lands. From then until 1865 (apart from a short period between 1842 and 1844), the Crown exercised its sole right to buy land. Its strict monopoly greatly depressed the price of land and those

[1] Buck, *The Coming of the Maori*, 382.

Maori owners who were induced to sell found that they received only a fraction of the true market value. The Crown would then resell the land to the settlers at a far greater price. Under this system the Government acquired practically the whole of the South Island and considerable areas of the North Island.

In 1865 the Native Land Act was passed. It created a Native Land Court, the primary function of which was to individualize customary communal Maori land titles (in direct contravention of the Treaty of Waitangi). As Cleary J. pointed out in *Re the Bed of the Wanganui River,*[2] while in other societies the transformation of the communal rights of this nature into individual ownership as we know it had been a process of evolution over a very long period, transformation of customary Maori title into freehold titles was required to be carried out by the Maori Land Court uno ictu. In the years following the establishment of the Maori Land Court there was an enormous output of legislation relating to Maori land, most of it designed to open up as much Maori land as possible for purchase by Europeans. That the Maoris themselves might learn to farm it to advantage was a possibility that was seldom taken into consideration.

At the turn of the century however, it became apparent that the importance of helping the Maori to farm his own land effectively could no longer be ignored. In 1900 the official government policy of progressive land purchases was stopped by the passing of the Maori Land Administration Act which shifted the emphasis to the leasing of Maori lands, and in 1905 the Maori Land Act made limited amounts of state funds available to assist Maori farmers.

In the late 1920's Sir Apirana Ngata introduced his policy of state-aided Maori land development through Maori land incorporations. A period of consolidation then began and reached its peak in the mid-forties. The demands of the post-war period saw a rapid decline in funds allocated for new development and this situation has continued ever since.

In 1953 the Maori Affairs Act consolidated the rambling mass of legislation affecting Maori affairs and introduced the compulsory purchase by the state of so-called uneconomic interests in Maori land (interests valued at less than $50). Section 137(3) of the Maori Affairs Amendment Act 1967 introduced further measures which will have the overall effect of facilitating the alienation of much of the remaining Maori land. The effect of this recent legislation on the principle of Maori land development will be discussed below.

II. Maori Land Development Schemes

The first move towards assisting the Maoris to develop their own land had been made in 1894 when the Native Land Court Act was passed. This

[2] [1962] N.Z.L.R. 600, 618.

enabled owners of adjoining land to arrange for the farming and management of their aggregate property by forming themselves into a body corporate. Subsequent acts facilitated the process of incorporation and enlarged its scope. An attempt was also made to aggregate some of the small and scattered Maori holdings so that they might be farmed to better advantage by individuals and family groups. "Consolidation" was a complicated process and depended upon the willingness of owners to co-operate in effecting exchange of property. Like incorporation, consolidation flourished initially on the East Coast (Sir Apirana Ngata's constituency). It was gradually adopted in other districts, but by the end of the First World War it was still in the experimental stages.

The Maori people were also faced with difficulties in raising the finance necessary for development. Not only was land with scores of owners (many of whom could not be found without a laborious search) not regarded as good security, but the Maori people were not regarded as being particularly wise or industrious. In Ngata's words:[3]

> Here are the difficulties in the way of the Maori who desires to obtain money. . . Whether rightly or wrongly the Maori is not regarded as an industrious person. . . a stigma also attaches to the Maori that he is not always wise in the use of money. . . When you come therefore to deal with managers or boards of directors of financial institutions. . . the Maori meets this difficulty: that so far his race has not made good.

Ngata also constantly complained that no funds from the State's general revenue were ever expended in the development of lands owned or occupied by Maoris – a restriction which did not apply to lands owned or occupied by Europeans.

In 1920 some attempt was made to place the Maori on the same footing as the Pakeha. A large part of the lands remaining to the Maori had from time to time been vested in the Public Trustee. From the rents received, over $1,500,000 had accumulated in the Public Trustee's hands. Under the Native Trustee Act 1920 all the lands and accumulated funds were placed under the control of a newly established Native Trustee office. This authority was empowered to lend money on the security of Maori land up to three-fifths of its capital value. Six years later the Native Land Amendment Act and the Native Land Claim Adjustment Act empowered Maori Land Boards[4] to lend the funds they controlled for the improvement of Maori land and a variety of allied purposes. The State however, was not yet prepared to finance the development of Maori land out of general revenue. But by 1929, the funds that these bodies controlled had almost been depleted, and failing some alternative source of credit, the development of Maori land would have come to a standstill.

[3] (1920) N.Z.P.D. Vol. 187, 971.

[4] Maori Land Boards replaced the Maori Land Councils in 1905. The latter had been established in 1900 in order to manage any Maori lands that should be vested in them voluntarily. There were seven Maori Land Boards whose task was to administer lands vested in them, and to assist Committees and individuals in farming their land.

In 1929, Ngata, now Native Minister in Ward's Liberal government, pushed through Parliament the Native Lands Act which made provision for financing the development of selected Maori lands out of general revenue. To overcome the difficulty of multiplicity of ownership, the Native Minister was authorised to set aside certain areas, the owners of which then forfeited their right to sell any part of the land, or to interfere with whatever might be planned for its development. Active operations began in March 1930 and within two years 591,500 acres of Maori land (of which 248,000 were capable of cultivation) had been selected and set aside for development.

However, it soon became apparent that the Native Department through which the schemes were controlled was not in a position to meet the demands on it. Too much was attempted too soon, and abuses in the form of graft, nepotism and careless book-keeping crept into the administration of the schemes. Moreover, instructions with regard to quite important transactions were given orally, often without informing the Department. In 1933, for the second year running, the Auditor-General declined to certify the correctness of accounts relating to the operations of the development scheme.

Early in 1934 a commission of inquiry was appointed to investigate the matter (although by that time, some of the abuses and anomalies to which the scheme had been subjected were in the process of being corrected, as a reorganisation of the Native Department had been carried out in 1933). Its report exposed numerous instances of minor graft and careless accounting. Ngata immediately resigned.

A Board of Native Affairs took over control of the land development schemes and the work that Ngata had commenced was continued under bureaucratic direction. By early 1939, 840,035 acres had been set aside for development. Of these, 252,566 acres were under grazing or cultivation and hitherto sparsely-inhabited areas were supporting enormously increased populations.[5]

The post-war period brought about new demands for capital but, because of an adverse political climate, the Maori was unable to compete successfully for his share. The result was that land development and farming in general began to rundown, while the small farms of the Ngata era became uneconomic. As a result, many Maori farmers gave up and joined the drift to the cities.

The Labour Government made signs in 1949 that it had finally recognised the need for a positive policy, but it was too late. In 1949 the National Party came to power and with it a policy unsympathetic to the proposition that the state should undertake massive development of Maori

[5] The Maori population under the schemes numbered 1,891 settlers, 3,179 other employees and 16,854 dependents. *The New Zealand Official Year Book* (1940), 387.

land on behalf of the Maori. In 1953 it passed the Maori Affairs Act which purported to consolidate the rambling legislation dealing with Maori affairs, land and legal matters. It was the first move in altering the protective nature of previous legislation. Amongst its provisions was the introduction of compulsory conversion. The conversion system was formulated by the Luxford Commission in 1952, which thought that it could solve the problem of increasing fragmentation of Maori land interests by defining an uneconomic interest in Maori land as one with a capital value of less than $100 (reduced to $50 in response to the opposition of the Maori people). Under this system the premise was that the larger Maori owners would buy out smaller share-holdings, and that the Maori Trustee would accelerate this process by compulsorily acquiring all the uneconomic interests and offering them for re-sale.

The system was quite ineffective. Lack of capital resources of the Maori owners, the involved titles offering little inducement to purchase, and the irregular and uneconomic features of the land concerned, doomed the system from its inception.

After 1953 the government continued to press for a solution to the problem of low-level utilisation of Maori land, but interest remained centred upon disintegration rather than consolidation. The aim appeared to be to get Maori land on to the free market by denying state resources for land development.

In 1960 the Hunn Report dealt with the whole spectrum of Maori affairs and forwarded recommendations dealing with the needs of the rapidly increasing Maori population. One of its major proposals was that the ceiling of Maori land development be raised from the token acreage of 10,000 acres a year to 20,000, to be increased thereafter to some 50,000 acres. Furthermore, the Lands and Survey Department should assume the task of development, and measures should be taken to induce adequate numbers of young Maoris to enter suitable farm training schemes and so absorb the rising volume of land available for Maori settlement. The formation of regional Maori land trusts should be encouraged and the Maori Trustee should adopt a policy of resuming expired leases of the valuable vested lands as they became due. His functions were to be clearly defined so that he should become the administrator of an expanding asset, and by the use of good business methods, would be able to apply the resulting increases in income to meet the growing cultural, socio-economic and educational needs of the Maori people.

These recommendations found no favour with the National Government which sought legislative avenues to weaken and eventually disintegrate the bonds retaining the few million acres of ancestral land in Maori ownership. To this end the Government set up the Prichard-Waetford Commission. The report produced by the Commission was far from acceptable to the Maori people. The Maori Council attempted to

negotiate the contentious elements in it, but failed. Mr I. Prichard, co-author of the Report, has stated that he based his report on the firm belief that the state could no longer be expected to assume responsibility for the major role in the development of Maori lands for the benefit of the Maori people alone,[6] and this would appear to be the basic premise underlying the Maori Affairs Amendment Act 1967.

Amongst its provisions is the power of share transfer to the Maori Trustee, the Crown, or any other state loan department, but not to any Maori who is not a shareholder. As a result, the Crown and the Maori Trustee now regularly appear as the largest single owners in many blocks and incorporations that are not strong enough (through inefficient management by the Maori Affairs Department over many years) to resume the shares themselves. It would appear that the ideals behind Sir Apirana Ngata's land development schemes have been lost and much of the Maori land undertaken for development in the 1930s is gradually being taken over by the Crown under present legislation and government policy. Tribal land on the Poutu Peninsula in Northland is here used as an illustration of the effects of this policy on much of the few million acres of ancestral land still remaining with the Maori.

III. Development At Poutu

A. *History*

The land in question consists of some 4,000 hectacres on the Poutu Peninsula, 50 kilometres south of Dargaville. It belongs to the Uri O Hau, a branch of Auckland's Ngati Whatua tribe, and is today the largest area of land still left to that tribe.

By the time the first Europeans arrived in the area the Uri O Hau were well established, not only on the Poutu Peninsula, but in Dargaville and the surrounding area. In spite of their reputation as warriors, they were very friendly towards the Europeans and traded freely with them. They parted with much of their land around the Dargaville area in the years following the establishment of British government. The land was in great demand by the European settlers, as most of it was covered in Kauri forests and the remainder was prime farming land.

By 1865 most of the Uri O Hau were living on the Poutu Peninsula. The land there had been of little interest to the Europeans, for it was predominantly sandy and unsuitable for agriculture. After the passing of the Native Land Act 1865, the Poutu Peninsula was divided into three blocks. The Crown retained one of these and the other two remained with the Maori owners, who continued to live off the land. The traditional way of life however, had largely been destroyed, and the remaining members of the tribe congregated in small communities with the minimum of facilities.

[6] Sinclair, "The Maori Affairs Amendment Bill: A Dissident View", *Landfall* Vol. 22, no. 1, 83.

Although a road was not built to Poutu until the 1930s, a small European settlement existed at the tip of the Peninsula in the 19th Century. The owners of the block on the tip of the peninsula congregated near this settlement and ran up large credits at the trading store for flour, blankets, liquor and other merchandise. Every time they were unable to meet their debts the storekeeper added another name to those agreeing to pay in land holdings. The land was of poor quality and as long as the right to fish the several large lakes on it was retained, the Maoris were quite happy to part with it for the merchandise to be had at the store. In 1894 the Validation Act (which validated such invalid sales) was passed by the Government and the storekeeper became the sole owner of one of the two blocks remaining to the Uri O Hau. The bulk of this land was sold to the Crown in 1913 for $26,000, only the more fertile area in the vicinity of the two large lakes to which the Maoris had reserved fishing rights being retained. (This area was sold by the descendents of the storekeper in 1962.) The land sold to the Crown, although unsuitable for agricultural purposes, has proved ideal for forestry and the Forestry Department now has it well planted.

The Uri O Hau retained their communal ownership over the remaining block. The bulk of this was known as Poutu Tapu (the "People's land"). It was in order to prevent this land being alienated, and also to provide employment for the Maoris in the area, that the elders approached the Government in 1933 to have it developed under the scheme initiated by Sir Apirana Ngata.

B. *Maori Land Development of the Poutu Block*

The Potu Tapu block was accepted as suitable for development by the Government in 1933. Today, some 44 years later, this land is valued at $850,654 and carries a debt on it of some $698,050. There seems little hope of the debt being reduced to any great extent in the forseeable future, and in the meantime the interest on the debt continues to mount, thus increasing the charge against the land. The Government now owns some 72 per cent of the shares in the scheme. They are presently valued (by the Government) in the vicinity of $17 per share. With the massive debt, which will only be reduced gradually if the world price for New Zealand dairy products and wool maintains a sufficiently high price, the owners have little hope of buying back these shares. As land values continue to rise, so do the shares, and with other land in the area proving successful for forestry development, the value of the land is likely to increase still further in future years. To see how the present situation arose, it is necessary to trace the development at Poutu from its inception.

The Great Depression hit Northland particularly badly. It was predominantly an agricultural area and much of the population consisted of

unskilled workers, the first to suffer in any economic recession. The Maoris at Poutu were living at a subsistence level in virtually slum dwellings, surviving by catching fish and eels and growing a few crops. The elders of the Ngati Whatua tribe approached the Government to develop the land, the majority of which was suitable for agricultural purposes, for dairy farming had proved successful in the area. Little development was carried out in these early years, for it was about this time that Ngata's scheme had come under investigation and criticism, and the responsibility for carrying it out had been vested in the Department of Native Affairs. It had consequently become tied up in bureaucratic red tape. (E.g. three or four houses were erected, but remained uninhabited because they had been built in isolated areas with no road access.)

Some farming was commenced at the same time on a small scale, but large scale development did not commence until after World War II. By 1948 some of the owners had begun clamouring for incorporation or, failing that, settlement. As the policy of the Board of Maori Affairs at that time was for settlement, the owners favouring incorporation had explained to them the advantages of eventual settlement rather than incorporation. It is unfortunate that the owners did not hold out for incorporation, for if the block had been incorporated, there is little doubt that today it would have been a viable economic proposition bringing reasonably substantial returns to the owners. As it was, plans for settlement were commenced and eventually some 11 dairy farms were established. It was an expensive business: extensive roading had to be carried out; electricity and telephone services had to be brought into the area; the land itself, mainly scrub and manuka, had to be brought into pasture, fenced, etc. The total development costs were more than $663,000. The first two dairy units were settled in 1954 with men who had been nominated by the owners and selected as suitable by the District Maori Land Committee. By 1960 all the farms had been settled, but only seven had been settled by Maoris, and out of those, four were outsiders with no tribal ties.

There is much bitterness amongst the owners that such a small proportion of the farms were settled by owners for whose benefit the scheme was supposed to have been run and whose land has to bear the debt of developing the units. The Department of Maori Affairs in Whangarei claims that there were no applicants amongst the owners suited to running a dairy unit. In spite of this, those outsiders who did take over do not seem to have been particularly suited either, for although the District Maori Land Committee graded the men as being suitable prospective farmers, the scheme has had to bear the cost of teaching the fundamentals of dairying to them. Several years after settlement, many of the units were still requiring outside supervision.

The cost to the scheme of cutting off dairy units from the area has already proved a large burden. Farmers were charged a total of $145,574

when they settled (about $10,000 a farm) as their contribution towards development costs. This left a deficit of some $487,426 which remains today as a charge against the land. Farm rents are fixed at five per cent of unimproved value with revaluation every 14 years. The last valuation in 1974 estimated the worth of the farms at approximately $10 a hectare and the owners are currently receiving less than $3,000 per annum in combined total rents.

The farms were settled on a 42-year lease under Part XX, Maori Affairs Act 1953. They were originally leased with the intention that the lessees could eventually enjoy the freehold in their farms. The owners opposed this however, when they realised that only three of their number were actually settled on the farms. If the lessees were able to obtain the freehold, the owners felt that some would inevitably sell their farms and further land would be alienated. As it is, when the leases do expire, the owners are required to pay the lessees compensation to the extent of 75 per cent of assessed improvements to the farms (which is ascertained by means of a special valuation made by the Valuer-General under section 244 Maori Affairs Act). In effect, this means that the owners will have to buy back improvements which they have already helped subsidise. Each dairy unit had a house, a milking shed, fencing and essential services when it was leased. The cost of providing these far outweighed their value at the time. Table 1 gives an approximate idea of the cost to the scheme of providing one farmhouse. In 1974, under pressure from the owners, the Board of Maori Affairs recognised that the excess costs incurred in developing the settled farms had not been recovered at settlement, and remitted interest on $100,000 for seven years, and also wrote off a further $27,452 of unpaid interest to allow the debt to be reduced. This token gesture by the Board has had little effect on the overall debt and has in no way helped to meet the problem faced by the owners – how to regain control of their own land.

The residue area of some 3,704 hectares was developed as a farming station with the intention that it would become an incorporation.

Table 1

Cost of building house	$25,000	
Less value recovered at time of settlement	$19,000	$6,000
Value at time of expiration of lease (say)	$45,000	
70% of valuation		$33,750
Total cost to scheme:		$39,750

However, the debt incurred in the settlement of the dairy units has meant that it has had little chance of becoming a viable economic unit as any profits made by it are used to pay the interest on the debt (currently running at approximately $26,000 per annum) and, when possible, to reduce it. The scheme returned a profit for the first time in 1970 ($9,000). The following year the profit inched to $11,000 but 1972 saw a loss of some $12,000. The highest profit was returned in 1973 (nearly $48,000) but since then the annual profit has dropped to approximately $15,000. On these figures it would take 60 years for the land to be cleared of the debt, and the Maori Affairs Department has indicated that if the debt were substantially reduced, it would increase the interest rate (of 4½ per cent) on the remaining debt.

The scheme itself is run by a committee consisting of a representative of the Department and two representatives of the owners. Both owners' representatives hold leases on dairy units in the block, which could lead to claims that they have a "vested interest" and therefore do not concern themselves with the interests of the owners as a whole. In fact they are in an invidious position, for the Department has the effective power of ownership, and the representatives' position is merely one of "rubber stamping" any decisions made by the Department. They have had virtually no say in the developments that have led to the debt on the land. The only influence they can exert is in relation to the day to day running of the station and even then, their hands are very much tied by the Departmental policy towards development schemes. A manager is employed on the station to see to the effective running of it, but his every turn is hampered by the presence of a supervisor. This supervisor is usually a young man straight out of agricultural college who is employed by the Department to oversee the development and who in turn is responsible to a Head Supervisor who controls all the development schemes in Northland. This system of supervisors has been strongly criticised by the owners' representatives. A new supervisor is likely to be replaced on average every two years, and it has been admitted by the Department that every change of supervisor probably costs the scheme something in the vicinity of $5,000. (This occurs because when a new supervisor takes over, he is full of enthusiasm and new ideas which he immediately puts into practice. While many of these ideas could be of benefit to the scheme, they are often costly and seldom get the chance to be fully implemented before another supervisor takes over with perhaps completely different ideas.) The manager, who should know best the needs of the station, is obliged to carry out the wishes of the supervisor. He himself is unable to spend more than $5 without the signed authority of the supervisor. Although in most instances such authority would be forthcoming, it creates costly delays and has the effect of divesting the manager of any feelings of responsibility. (A new manager was recently appointed to the station and already, after a

bare six months, he is feeling frustrated at the lack of incentive and any real responsibility.) Under this policy it seems unlikely that the scheme will be able to retain the services of a competent manager for any length of time. Either that, or as in the case of the previous manager, he will lose any sense of initiative and merely "do as he is told" by the supervisor. The resultant inefficiency has cost the scheme many thousands of dollars. Yet the owners in their present situation can do little about it, for the Department of Maori Affairs controls the scheme and little notice is taken of the owners' complaints. Repeated requests for incorporation by the owners in recent years have been turned down. Despite assurances given by the Department of Maori Affairs that the government's ownership of shares in the land at Poutu would not be used against the interests of the Maori owners, the Government has constantly frustrated the owners' wish to incorporate. At a meeting held in November 1973, over 90 per cent of the Maori owners were represented, and they voted unanimously for incorporation. The Department adjourned the meeting until the following year, but it was not until November 1974 that a hearing was convened at the Maori Land Court in Auckland. At the hearing the owners once again voted unanimously to incorporate the ownership of the Poutu Tapu block. But the Department vetoed the move.

A spokesman for the Department described the move to incorporate the land as "premature". It (the Department) could see no point in incorporating the land while it was still administered under a section of the Maori Affairs Act 1953, for this would create more paperwork and the incorporation would have no power to function. The only effective incorporation would take place after the release of land from Part XXIV of the Maori Affairs Act. To do that, the present debt would have to be reduced and a substantial number of Crown shares bought. As the majority owner and mortgagee, the government could not see any advantage in incorporation at that stage. When Poutu became an incorporation was a matter of timing, and when it became economically viable the Department would push for incorporation. The owners claimed that the shares were originally acquired by the government for the benefit of the Maori owners. The elders who had originally agreed to the scheme, had seen it as a way to get the land developed and productive, but after 40 years of mismanagement by the Department of Maori Affairs, the land had amassed a huge debt. Furthermore, the Department had bought its 60 per cent of the shareholding cheaply and now stood to make a profit from the present high price of the shares. The Department made it clear at the hearing that it would not agree to incorporation, at least in the forseeable future. Several years later it obtained a further 12 per cent of the shareholding and thus put the owners' hopes of eventual incorporation still further out of reach.

Today the Crown and Maori Trustee own 72.8 per cent of the shares in

the development scheme. The bulk of these shares were purchased in the early 1960s. At this time land values had not started to increase with the rapidity that they did in the 1970s. In 1961 the land was assessed at a market value of $246,557, as compared with today's value of nearly $900,000. Accordingly, the government acquired the shares at a very low price, paying a maximum of $4 a share and purchasing the majority of them at about the $2 mark. The Department claims that the shares were bought to enable the lessees to obtain the freehold of their farms and that they do not intend to sell them outside Maori interests. It also insists that the shares had been bought from owners who had approached them wishing to sell. The owners claim that those who did sell had become demoralized and disillusioned with the scheme and felt that there was no future in it. At least one owner intimated that he had been personally approached by the Department and some pressure exerted on him to sell. This may have been an isolated case, but the impression is that the Department was a willing buyer and seemed to be following a policy of buying as many shares as it could.

The District Officer of the Whangarei Department of Maori Affairs stated at the meeting convened by the Maori Land Court in 1974 that the government did not want to hold on to Poutu simply because it was an asset, but that it wanted to develop the block to a stage where the owners had something to take over which might be economically viable. The Department's actions however, would seem to belie these words, for since then, it has obtained a further 12 per cent of the shareholding. It managed to do so by releasing 744 hectacres of sandy area unsuitable for farming so that it could be amalgamated with 647 hectacres of adjacent land owned separately by Maoris in the area. This amalgamated block has been formed into a Trust under section 438 Maori Affairs Act, and the trustees are now negotiating a forestry lease. In return for the release of this 744 hectacres, the Department took over the further 12 per cent in the shareholding of the Poutu Tapu block. Although the Department claimed that this had been done with the full understanding and consent of the owners, it appears that in August 1977 none of the owners were aware that in return for the release of the sand strip, the Department had further eroded the shareholding of the owners. Allegations that the Department has been involved in land speculation in relation to the Poutu Tapu block would not seem to be too far-fetched.

Land owned by the Crown on the peninsula has already been planted in pines and the indications are that the whole peninsula will become very valuable as forestry land. That this potential has been recognised by private sectors in the community became apparent in 1973 when an offer was made by a private company to lease 3,704 hectacres, being the station operated by the Department within the Poutu Tapu scheme. The company offered to repay the development debt (at that time amounting to

$470,000). The proposed lease terms covered:

a) a rental of 8 per cent per annum on Special Government Valuation;
b) a 40 per cent return to the owners on the nett timber profits;
c) payment of rates and the cost of planting by the company;
d) the lease to be for 66 years with the rental reviewed at the end of each regime (which is approximately 25 years).

The benefits to the owners included the freeholding of the land, while the eight per cent rental would in effect be a dividend. The owners would get a sound investment with a bonus at the end of the first regime of no less than $1.6 million (this return was assessed on current timber figures which, discounted back, could have lifted the earning level considerably). At a meeting in June 1974 the owners turned down the offer; to them freeholding meant alienating the land. In this decision they were supported by the Department. Apart from whether or not it approved of freeholding in principle, its policy of obtaining shares in the Poutu land and its refusal to allow incorporation would suggest that the Government has no wish to let go of its interest in the Poutu Tapu block, but rather, would eventually like to have complete ownership.

The Department claims that it has stopped purchasing shares in the scheme unless owners wish to sell in order to purchase a home or establish themselves in a business. However, it has no plans for establishing a means by which the shares it does own can be revested in the Maori owners. A spokesman for the Department did suggest that the owners who had interests in the land released for forestry development could use their share of the profits received after the first regime to buy back the Crown's shares in the Poutu Tapu block. This however, would be some twenty-five years away and the shares by then could well cost twice as much as they do at the present time. Ironically, if the forestry development is successful it will have the effect of pushing up the value of the land in the Poutu Tapu block even further.

The owners still hope that a way will be found for them to regain control of their land. For over three years they have been requesting an enquiry into the financial affairs of the scheme. At the annual meeting held in November 1974 a resolution was passed that a request should be made for the Minister of Maori Affairs to set up a commission of enquiry to investigate the financial position of Poutu Tapu with particular reference to settlement costs, interest and how the Crown acquired the title. Although the Department of Maori Affairs did not openly oppose the idea of an enquiry, it refused to accept responsibility for it. It was prepared to make available its account ledgers and any relevant files, but the responsibility for initiating an enquiry was to be the owners'. The owners did not feel in a position to carry out the investigation themselves and the matter was not followed up at that time.

But in 1977 the owners again began calling for an investigation. Once

again the Department stated that it had no intention of carrying it out. Even if such an investigation were held and mismanagement by the Department were proved, it was unlikely that the owners would be compensated in any way, and the only value the Department could see in such an enquiry was that it might clear the air. Finally in October 1977, the Department agreed under further pressure from the owners, to a meeting between itself, the owners and the Minister of Maori Affairs. At this meeting the Minister agreed to an investigation being carried out by the Northland Maori Land Council. It is expected that this investigation will take some months to complete, but the owners hope that its findings will provide them with ammunition with which to fight for the right to control their land. As one of the elders put it – "The Department's management has been a mess. We can make our own mess but at least we can say it is ours".

The Department claims that if it had not taken over the development of Poutu Tapu, the land would have been fragmented long before now. This can be of little comfort to the owners who see the land gradually being taken from under their very noses, while they remain powerless to do anything about it. They could not be blamed if they regard the name Poutu Tapu with some cynicism, for until government policy moves away from its emphasis on the alienation of Maori land, the owners of the Poutu Tapu block would appear to have little chance of realising their hope of eventually regaining control of their land.

IV. Conclusion

The Maori people always regarded their footing in ancestral land as their *turangawaewae,* which had to be preserved if they wished to retain their right to speak on matters of local interest. Without this they consider themselves deprived of an important aspect of their heritage. Land is on trust to be enjoyed in their lifetime and then to be handed on to future generations. While the attitude of *turangawaewae* is gradually changing, our laws should not ride roughshod over the Maori people's deeprooted attachment to the land. The Maori will not be completely detribalized in the foreseeable future, and should not be deprived of the small land interests which may be all that remains to tie him to his ancestral group.

As Dr D. Sinclair said, in referring to the alienation of Maori land in the present day, "It may be good economics to do so, but it is a crime against the personal dignity of a man belonging to a minority culture group".[7] It is also a crime against future generations of all New Zealanders. Alienation of further Maori land can only result in the assimilation of the Maori people by the acceleration of urbanization, relocation, detribalization and

[7] Sinclair, "The Maori Affairs Amendment Bill: A Dissident View", *Landfall,* Vol. 22, no. 1, 83.

the removal of the source of independent growth, the Maori rural community. In short, it will undermine the prospects of bi-cultural development, and New Zealand will be the poorer for it.