IN THE WAITANGI TRIBUNAL

Wai 2180, Wai 1705, Wai 647, Wai 588, Wai 385, Wai 581, Wai 1888

IN THE MATTER OF	the Treaty of Waitangi Act 1975 and the Taihape: Rangitikei ki Rangipo Inquiry (Wai 2180)
IN THE MATTER OF	a claim by Isaac Hunter, Utiku Potaka, Maria Taiuru, Hari Benevides, Moira Raukawa-Haskell, Te Rangianganoa Hawira, Kelly Thompson, Barbara Ball and Richard Steedman on behalf of themselves, the Iwi organisations who have authorised them to make this claim and the Mōkai Pātea Waitangi Claims Trust (**Wai 1705**)
AND	a claim by Maria Taiuru and others for and on behalf of Wai 647 Claimants (**Wai 647**)
AND	a claim by Isaac Hunter and Maria Taiuru and others for and on behalf of the Wai 588 Claimants (**Wai 588**)
AND	a claim by Neville Franze Te Ngahoa Lomax and others for and behalf of the Potaka Whanau Trust and Nga Hapu o Ngati Hauiti (**Wai 385**)
AND	a claim by Neville Franze Te Ngahoa Lomax and others for and behalf of Te Runanga o Ngati Hauiti (**Wai 581**)
AND	a claim by Iria Te Rangi Halbert and others for and behalf of the Wai 1888 Claimants (**Wai 1888**)

Statement of Evidence of Peter James Fraser
12 February 2018

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Lw17308

Ko Aorangi te maunga tapu
He Tu! Tu! Tu nei ha!
Ko Ruahine te pae maunga,
Ko Rangitīkei te awa,
Ko Takitimu te waka
Ko Ngāti Hauiti te iwi
Ko Tamatereka, Hinemanu me Ruaanga ngā hapū
Ko Tapui Potaka te tangata
Ko Rātā te marae
No reira, tēnā koutou, tēnā koutou, tēnā koutou katoa

1. Tēnā kotou katoa. My name is Peter James Fraser of Ngāti Hauiti.

Introduction

2. In this evidence, my role is to provide the Waitangi Tribunal, on behalf of Ngāti Hauiti, with an overview of the lost economic development opportunities suffered by Ngāti Hauiti over successive generations due to acts and omissions on the part of the Crown which are inconsistent with the promises in Te Tiriti o Waitangi.

3. A simplistic analysis portrays this as merely a balance sheet issue associated with rapid and systematic asset stripping: being the loss (in a relatively short timeframe) of our major communally controlled physical asset, namely land.

4. The reality, however, is a much more insidious: the loss of *tino rangatiratanga* meant Ngāti Hauiti lost its ability to set the institutional 'rules of the game'. Even when our tīpuna tried to use Pākehā institutional structures to achieve Māori ends, access to those structures were also denied – and substituted with the relentless individualisation of the Native Land Court.

5. As a result, Ngāti Hauiti's ability to exert political leadership or exercise collective economic endeavour was effectively extinguished by the end of the First World War.

6. During the inter-war years, economic survival was reduced to a whanau level struggle – generally around ever diminishing (and in

some cases increasingly uneconomic) farms and/or labouring on Pākehā-owned farms (ironically, situated on land that was previously Hauiti controlled). However, even when land was still whanau owned, retaining these remnants was akin to 'betting against the House': whilst there may be the occasional 'win' the end result was nearly always the same –the land was alienated.

7. As a result of diminishing land holdings – combined with rising agricultural labour productivity and a growing Māori population, the urbanisation of Māori following World War Two was inevitable (and in this sense the experience of Ngāti Hauiti was no different).

8. So with institutions denied, entrepreneurial opportunity circumscribed, access to development capital being difficult and land holdings largely lost, many of our parents left the rohe – often to fuel the factories of "Fortress New Zealand".

9. By the 1960s the destruction of Ngāti Hauiti as a political, economic and cultural entity was comprehensive. It took less than 100 years. My whanaunga will outline the plethora of social and cultural ills that are the direct result of this asset stripping process and the inability to pursue collective economic development opportunities (and thereby fulfil the role of manaakitanga to the people). Much of this korero is deeply destressing. All is intensely personal.

10. Concurrently enormous economic changes were also occurring – both nationally and internationally (e.g. the decline of the extractive industries, the impact of refrigeration and 'the new staples', the First World War, the Great Depression, the Second Word War, urbanisation, and economic deregulation).

11. Critically, it is possible to identify key points where decisions and actions were taken that precluded options and opportunities, and thereby putting Ngāti Hauiti on a path to oblivion and the resulting diaspora of its descendants.

12. This paper is structured as follows:

12.1 Conceptual economic framework;

12.2 Time period in summary:

(a) 1850-1920: Loss of political authority and collective economic potential;

(b) 1920-1950: The years of whanau endeavour;

(c) 1950-1980: Urbanisation and 'Fortress New Zealand';

(d) 1980-today: Restructuring and renewal.

12.3 Summary comments concerning the acts and omissions of the Crown.

Background

13. I first want to provide a context from a tikanga Māori perspective of why I can speak today, and the qualifications from a tikanga Pākehā perspective that give me the ability to do so.

14. My name is Peter James Fraser. Since the time of my great-grandfather, James Fraser ('Jimmy Fizzle'), our branch of the Frasers has named the oldest son in each generation "James". However, my mother always liked Peter as a name – so Peter it was; my paternal grandfather having to make do with his oldest grandson having James his middle name (though he would be very happy my oldest son [and his great grandson] is called James).

15. The Frasers also have a long and colourful history. My ancestors arrived with the Conquer, they fought with Wallace and The Bruce, they fled following the calamity of Culloden, and we piped our way ashore at Normandy on D Day (landing not far from where our ancestors departed almost 900 years previously).

16. Switching to my immediate family, my grandfather was a seaman and, against the odds, got the tug *Tapuhi* operating on Wahine day, which saved over 50 lives; and my father was a soldier, who served with the original NZ Special Air Service during the Malayan Emergency – and in the process, helped give a nation its freedom.

17. But it is to my maternal line I make particular reference to in terms of the Tribunal process.

18. My mother is Patricia Anne Fraser, *nee* Kereopa. My mother is youngest daughter of Tihone (John) Kereopa and Rora Catherine Kereopa *nee* Potaka.

19. My grandmother Rora died when I was very young – so unfortunately, I have no recollection of her. Photographs show a beautiful woman and I am told she had enormous depth of character. She has left her legacy as my sister and I are, like her, recognisable as Potaka whanau members – as is my James, my nephew Eli, and my nieces Evie and Hannah. Indeed, when I attended a Hauiti hui at Winiata in 1997 I was immediately identified as being a Potaka. I understand my grandmother was an outstanding person who was much loved by everyone.

20. In comparison, I have vivid and clear memories of my grandfather John – albeit through the eyes of a child; as I was only ten years old when he also passed. To me John was an almost mythical figure. He exuded dignity and the long years had soften many a rough – and violent – edge. He loved his grandchildren absolutely and we loved him. And yet, he was also something more – a link to something I did not know (or could even comprehend) but I somehow knew was important.

21. I started school in 1973, and an Anglo-Saxon name notwithstanding I was a considerable source of confusion at the decile 10 primary school I attended. I always knew I was different from the other children – they were white (and I was not). They were "normal"

(and I was not). They got books (and I did not) [an issue sorted out by my father, who told the Principal in no uncertain terms that his children 'weren't to be treated like Maoris', so I finally got books in year 2 and learnt to read as a result].

22. It was thanks to John I knew I was Māori; however, he died too soon for me to know what that actually meant.

23. And I am still finding out.

24. John was an orphan, then soldier and then a farmer. John and his older brother Taurua (Tau) were orphaned in tragic circumstances when they were four and six respectively. John became a whangai with the Winiata whanau. I understand his childhood was not a happy one. He enlisted in the Native Contingent at the outbreak of the First World War, but contracting measles meant he missed the Gallipoli campaign and ended up on the Western Front instead.

25. John did not start farming his land until the early 1930s – as the land had been leased. He cleared much of the farm by hand. John was adamant that his daughters needed to succeed in a Pākehā world as Pākehā – and they all received the best education available to them. However, there was a cost: while John spoke Māori, none of his children did as he considered there would be no benefit from it.

26. John and Rora left the farm in 1960, retiring to Whanganui. The farm was initially leased but then sold: as by the late 1960s it was simply too small to be a viable block (and impracticable to subdivide further). My mother left home in 1957 to undergo nursing training in Wellington and has remained there ever since.

27. As a result, our links the Rangitīkei were severed. Indeed, as noted above, it would be almost forty years after my mother left before I would return – and end up near where my grandfather had lived as a child 95 years before.

28. In terms of whakapapa, John and Rora had a common ancestor in their great grandfather Tapui Arapeta Potaka – with Rora descending from Tapui's union with Nihoiti (via Utiku Potaka and Rora Te Oiroa [grandparents]; and Arapeta Tapui Potaka and Esther Caselburg [parents]) whereas John descended from Tapui's union with Raukura (via Hireti Te Rata and Ihaka Te Raka [grandparents]; and Kereopa Ihaka and Ngahiwi Herewini [parents]).

29. For clarity, Tapui Arapeta Potaka was the father of Utiku Potaka. Whereas Arapeta Tapui Potaka (who died in 1919) was the son of Utiku Potaka.

Qualifications and area of expertise

30. I hold a BA from Massey (double major in economics and history), a BCA from Victoria (Commerce), and an MCA from Victoria (Economic History). I operate as Rōpere Consulting and specialise in microeconomic policy analysis.

31. I have previously worked in policy and economics-related roles at The Treasury (1997-2007), MAF Policy (2007-2010), the Department of Building and Housing (2010-2011), the Department of Labour (2011-12), and the Earthquake Commission (2013-2017).

32. In terms of my private consultancy:

    32.1 I have advised three independent dairy companies regarding the legislative changes to permit Fonterra's 'Trading Among Farmers' regime and competition policy issues more generally;

    32.2 I have undertaken extensive work regarding the feasibility of agricultural water storage schemes, with particular reference to the Ruataniwha, Wairarapa and Waimea projects;

32.3 I have provided expert evidence regarding the expansion of Fonterra's Studholme plant;

32.4 I provided considerable public commentary throughout 2017 regarding the merits and feasibility of water pricing.

33. I am currently providing economic advice regarding:

33.1 the application of a natural capital framework for the allocation of nitrogen (and other potential contaminants) as part of a regional planning process; and

33.2 opposing an extension of a resource consent for point-source industrial waste into a Manawatu waterway.

34. I am frequently called upon to provide commentary relating to agricultural and irrigation issues for Radio New Zealand, Television New Zealand, Newshub, Fairfax, NZME, and *Al Jazeera*.

Part 1: Conceptual economic framework

35. In order to provide a basis for analysing key events and decisions, a useful starting point is developing a conceptual economic framework.

36. In the 19th century, economists talked about 'factors of production'; being land (D), labour (L) and capital (K). These factors became the raw material or 'inputs' that fuelled an economic system.

37. By the mid-twentieth century the Austrian School had added the notion of entrepreneurship as a distinct risk-taking process undertaken by entrepreneurs; who harboured ideas and coordinated the factors of production to produce goods and services - thereby linking the inputs with the outputs.

38. By the late twentieth century institutional economics talked about the importance of 'the rules of the game' (such as the nature of the legal system, the specification of property rights, markets, etc.) in determining how successful an economic system maybe – and

whether an environment was created where entrepreneurial activity was harnessed or hindered.

39. Around the same time, it was realised an economic system exists within a biosphere confronted with fundamental environmental limits. This led to concepts such as natural capital and the provision of eco-system services required to survive as a species.

40. These concepts can be illustrated as a series of sets as illustrated below and summarised as follows:

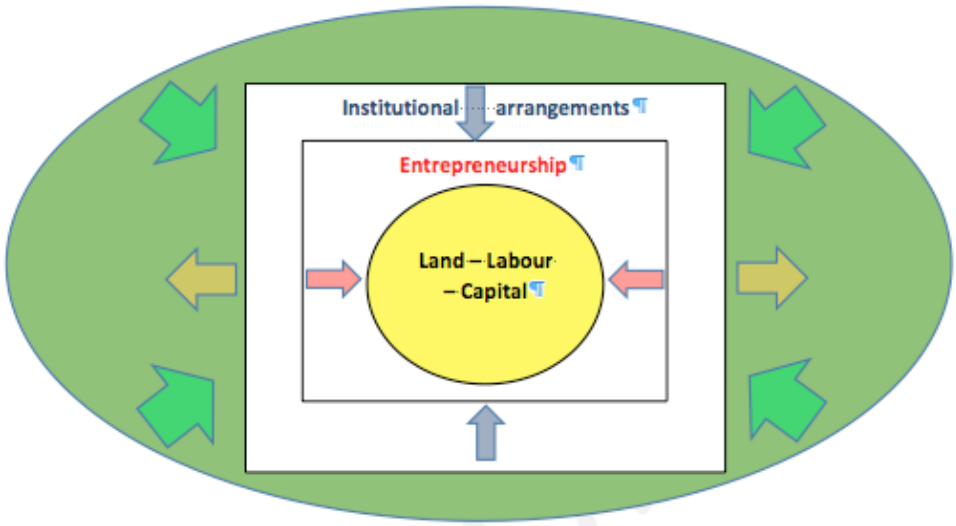
40.1 Inputs of land, labour and capital ***are***

40.2 Harnessed and directed by entrepreneurship ***but***

40.3 Governed by institutions ***and***

40.4 Constrained by environmental bottom lines.

Fig 1: *Conceptual graphic*



40.1 Figure 1, Conceptual graphic for economic framework

41. While all the concepts listed above originate from a Judeo-Christian and European intellectual heritage, there are broadly equivalent Māori concepts, such as:

41.1 Land – whenua;

41.2 Labour – tangata/mahi;

41.3 Capital – rawa;

41.4 Entrepreneurship – rakahinonga;

41.5 Institution – ture/tikanga/kawa and rangatiratanga;

41.6 Environmental health – mauri.

42. The following modified descriptor follows:

42.1 Guided by tikanga/kawa/ture and rangatiratanga;

42.2 Entrepreneurial activity combines tangata and whenua and rawa;

42.3 That enables manaakitanga of the people (and kaitakitanga of the environment).

43. Land/labour and capital are fallow without entrepreneurial activity. Yet that entrepreneurial activity is itself affected by the institutional arrangements (which in due course have eco-system impacts and ultimately, are constrained by bio-physical limits).

44. It therefore follows that:

44.1 Different institutional arrangements can have a positive or detrimental impact on the level of entrepreneurship;

44.2 Entrepreneurship is an activity that warrants investigation in its own right, as it is not intrinsic – and depends very much on levels of knowledge and expertise as well as motivation and incentives;

44.3 Land is going to be a critical factor of production where that is the key asset of tangata whenua;

44.4 Like entrepreneurship, capital is not intrinsic but is a key enabler;

44.5 In the absence of everything else, all one is left with is labour.

Institutional Arrangements

45. The Tribunal has already heard Ngāti Hauiti exercised unfettered political autonomy until the late 1840s – as the sale of large blocks of land to the Crown by Ngāti Apa in the 1850 had the effect of bringing colonisation right up to our southern boundary. Things then changed over the years which followed, altering the balance of power. From an economic perspective, the importance of this is twofold:

45.1 The loss of political power also implied the loss of the ability to set the 'rules of the game' in terms of institutional design – so economic development would be governed by Pākehā institutional arrangements; and

45.2 The intent of the Crown to either acquire land directly though purchase, or – alternatively, facilitate a process of land commodification and title individualisation (thereby substantially increasing the probability of alienation over time).

46. The question therefore becomes to what extent could Ngāti Hauiti continue to exercise collective decision making authority in that changing environment.

47. In the 1880s, as part of the Native Land Court process, Ngāti Hauiti leaders made attempts to protect land holdings via collectivisation into what were, in effect, incorporations. In this sense, Hauiti were no different to what iwi leaders were attempting to do across the country.

48. Ngāti Hauiti appears to have accepted the reality of colonisation yet its leaders sought to protect tribal lands through Pākehā institutions – albeit for Māori ends. However, Ngāti Hauiti was denied the ability to use Pākehā institutional constructs as well.

49. The attempts at collectivisation were fundamentally rejected by the Crown. The Crown increased its land purchase policies within the rohe of Ngāti Hauiti to facilitate settler occupation.

50. Ngāti Hauiti leaders also requested from the Crown access to capital in order to develop their lands (an issue at the time being pressure on the alienation of Māori 'wastelands', (which was typically used as a justification for the acquisition of 'unused' Māori land).

51. The Crown's actions therefore have aspects of both *commission* and *omission*. The denial of appropriate institutional structures, difficulties in accessing development capital combined with an aggressive land purchase policy that failed to leave sufficient land holdings, had the effect of destroying forms of collective economic or political endeavour.

52. This had a dire impact on leadership within the Hauiti community. From 1865 to 1906, Ngāti Hauiti continued to be governed by Rangatira representing each of its seven main hapū. However, with the alienation of the majority of their land, by the end of the 1920's, Ngāti Hauiti was leaderless and the traditional structures of the iwi had collapsed. Iwi (and hapū) leadership did not survive the deaths of Arapeta Tapui Potaka (1919) and his father Utiku Potaka (1922).

Entrepreneurship

53. It is well documented that from the 1820s Māori were skilled and success traders – initially with whalers and sealers, but gradually emerging as producers of produce (such as potatoes to Auckland and even as far as Sydney) and goods such as flax for rope and linen.

54. Indeed, Māori had a near insatiable demand for European goods – be it metallic tools, woollen blankets or (most tellingly) guns (this is in stark contrast with the Chinese, who only accepted silver in exchange for tea – leading to the opium trade). For example, Coastal iwi therefore quickly exploited an expertise in horticulture and working flax to produce saleable goods.

55. Whilst there is a legitimate debate about learning and expertise (i.e. how quickly could Māori transition from horticulture to developing an expertise in pastoral animal agriculture or arable farming) and access to capital (i.e. unlike alluvial gold in the South Island, Thames had quartz gold so required extensive investment in mines and extraction equipment such as stampers), these are not insurmountable problems – especially given:

    55.1 There being no apparent cultural barrier to entrepreneurship (to the contrary, Māori seemed to have a something of a flair for trading); and

    55.2 Positive Māori attitudes towards European knowledge and education.

56. Regarding the latter, the 1897 *The Cyclopedia of New Zealand [Wellington Provincial District]* states under the biography of Utiku Potaka: "*Mr. Utiku sees the great advantage of intercourse with Europeans, and is giving all his children a good education at the best schools*."[1]

57. The importance placed on education is well illustrated by Utiku's grandson Louis Tapui Potaka, who was one for the first six Māori medical doctors (and went to Antarctica as physician on Byrd's Expedition). It is also relevant to note that the Cyclopedia notes

[1] Source: Cyclopedia Company Limited, The Cyclopedia of New Zealand [Wellington Provincial District] Wellington (1897) Victoria University Library, http://nzetc.victoria.ac.nz/tm/scholarly/tei-Cyc01Cycl-t1-body-d4-d157-d10.html

Utiku's profession as a farmer yet states: "*The farms owned by him he leases, subjecting his tenants to certain improvements.*[2]"

58. In terms of knowledge acquisition, leasing is an entirely rational strategy – especially if access to capital is also constrained.

59. Being an inland tribe – and coming into contract with Pākehā distinctly later than coastal tribes, entrepreneurship had to take on a different form. To this end the establishment of Utiku's timber mill in the 1890s within the Potaka Township of Utiku is an example of such as adaption – albeit with traditional objectives of manakitanga in the form of providing employment to tribal members.

60. It therefore seems reasonable to argue that Ngāti Hauiti not only had systems in place in order to acquire knowledge in order to undertake entrepreneurial activities such activities were already developing.

61. It can be further argued the institutional failure associated with an inability for Ngāti Hauiti to hold sufficient land for the economic wellbeing of its people meant any entrepreneurial activities based on collectively controlled land became all but impossible.

62. For example, it is possible to imagine Māori owned dairy cooperatives emerging, and processing facilities such as flour and flax mills and wool scoring plants (in addition to the timber mill) also developing. Given the predominance of overseas ownership of the meat processing and export industry it is difficult to see a Māori owned meat processing plant emerging – and likewise regarding financial services such as insurance. However, a Māori-owned credit union (rather than a bank) may well have been feasible (and potentially a significant contributor towards solving capital access issues for land development) – likewise a series of Māori owned general stores also could have had significant merit (as credit policies in Pākehā-owned stores often became a cause of land alienation).

[2] *Ibid.*

Land, Labour and Capital

63. The fundamental building blocks of any economic system of are land, labour and capital. Given rural agricultural development, land becomes the fundamental building block. The point is in the absence of land and constrained access to capital the only thing one has to offer is labour.

Part 2: Time periods in summary

1850-1920: Loss of political authority and collective economic potential

64. This period is typified by:

64.1 The winding down of the extractive industries;

64.2 The Wars in Waikato, Taranaki and Bay of Plenty;

64.3 The Long Depression of the 1880s;

64.4 The 'busting' of the large wool estates and replacement by more intensive 'family farms' in the wake of the opportunities created by refrigeration;

64.5 World War One;

64.6 Rapid land alienation and very large-scale land development across the region.

65. As noted above, Ngāti Hauiti leaders sort to collectivise land holdings in the 1880s and engaged in creating entrepreneurial activities such as the timber mill (1890s).

66. Critically, the iwi leadership were active in promoting education and leasing activities, meaning knowledge gaps that could preclude the development of entrepreneurial activities were being addressed as people were being 'upskilled'. However, this became rather redundant in the face of large scale land alienation.

1920 – 1950: *The years of whanau endeavour*

67. This period is typified by:

67.1 The Rehabilitation schemes for returned servicemen;

67.2 The post War boom (and bust);

67.3 The Great Depression;

67.4 The Second World War;

67.5 Wholesale urbanisation and leaving of tradition rohe;

67.6 The second grassland revolution (brought about via aerial top dressing).

68. In terms of the people of Ngāti Hauiti, with tradition iwi and hapū structures having collapsed economic survival became wholly a whanau-level issue. In this respect, there were basically three broad options available (and not all were mutually exclusive), namely:

68.1 Labouring on a Pākehā owned farm or farms or within a factory (i.e. meat works);

68.2 Developing and/or farming Māori owned land;

68.3 Migrating to the cities.

69. It is pertinent to note that the Government saw significant merit in returned servicemen settling on and breaking the land – and to this end there were the various rehab schemes. Whilst many of the farms were created were non-viable to begin with, the relevant points are: that many of these farms were created out of blocks of former Maori land (including in the Rangitīkei); and Rehabilitation schemes were not available to Maori returned servicemen.

70. For example, my grandfather was a returned serviceman, and it must have been galling to see farms balloted to Pākehā returned

servicemen yet he was to struggle to secure capital to develop his own lands.

1950 – 1980: *Urbanisation and 'Fortress New Zealand'*

71. This period is typified by:

71.1 The Korean War wool boom;

71.2 The rise of "Fortress New Zealand";

71.3 Rising agricultural labour productivity meaning significantly less rural labour was required;

71.4 The Māori renaissance with efforts to preserve land and te reo.

72. It is towards the end of this period significant land loss occurred as the World War One era farmers were rapidly approach retirement, which raised issues of succession. In terms of one example, my grandfather's farm was sold in the late 1960s simply because its size meant it was no longer economically feasible as a standalone unit.

1980 – today: Restructuring and renewal

73. This period is typified by:

73.1 Economic reform and liberalisation;

73.2 The initial revitalisation of Ngāti Hauiti as an iwi.

74. Economic liberation was a double-edged sword. Although it cut away the carcass of Fortress New Zealand (in many cases result in severe economic dislocation and hardship) it also put in play the steps that would lead to cultural and (eventually) economic regeneration.

75. In terms of economic regeneration, Ngāti Hauiti has made initial steps with collectivising fragmented pieces of whanau land held around Rātā, forming a finishing unit.

76. Further to the north, Ngāti Hauiti iwi members are involved in a project to create a beverage and food hub based on the heritage Cascade Brewery Building, echoing the actions of Utiku in establishing the timber mill in the late 19th century.

77. Other of my whanau will address the Tribunal on structural and cultural revitalisation efforts occuring within Ngāti Hauiti.

Summary Comments re Crown acts and omissions

78. It is hard to go past the pre-1920 period as being critical - especially the Land Court period from 1865 to 1906 as where the major damage was done – as that is the period associated with the critical loss of land (leading to the collapse of iwi and hapū leadership).

79. Put simply, in terms of economic development, many of the key conditions for success were present. However, the inability to secure suitable institutional structures meant that the course of political, economic and cultural destruction of Ngāti Hauiti as a viable entity.

80. The Crown's actions therefore have aspects of both *commission* and *omission*. More importantly, the denial of appropriate institutional structures, difficulties in accessing development capital combined with an aggressive land purchase policy that failed to leave sufficient land holdings had the effect of destroying of any form of collective economic or political endeavour.

81. The destruction of political leadership and embryonic economic development was unnecessary and wasteful – and the preservation of the same is likely to have left the people of Ngāti Hauiti collectively better off. The exogenous shocks such as economic depression, urbanisation, and economic restructuring would have been lessened;

and the significant disparity in social outcomes for Ngāti Hauiti descendants need not have been so large.

No reira, tēnā koutou, tēnā koutou, tēnā koutou katoa

Peter Fraser
12 February 2018