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Aspects of the Economic History of Whanganui Maori in the Whanganui Inquiry District (Wai 903) 1880-2000

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Introduction

The Commissioning of the Report

In February 2006, following consideration of parties' additional research requests and a review of the existing Whanganui inquiry casebook, Dr Angela Ballara, historian member of the Whanganui Tribunal, recommended to the Presiding Officer, Judge Wainwright, that a report on the use of, and economic opportunities arising from, the lands and other resources of Māori communities in the Whanganui inquiry district be commissioned.

As a result of this advice, on 28 March 2006 (Wai 903 #2.3.33) Judge Wainwright directed the following:

> We consider that it is necessary to look further into aspects of the economic history of Māori communities in the Whanganui inquiry district c.1880s to c.2000. This report will focus on the issue of economic opportunities available to Whanganui Māori based on the utilisation of land and non-land resources for the period c.1880s to c.2000.

This report is to supplement existing casebook reports on socio-economic themes in particular those by Rose (#A61) and Stevens (#A32). The report is to assist the Tribunal in addressing the question why, in spite of apparently starting with, and retaining, a notable amount of land and resources, Māori communities in the Whanganui inquiry district appear to have suffered significantly from poverty over time. In particular, the report will examine what economic opportunities existed for Whanganui Māori communities in using their remaining lands in whatever form, as well as the nature and extent of economic opportunities for Māori within the wider economy of the district between the 1880s and 2000 and the Crown's role in creating and enabling Māori access to such opportunities.

In particular, as directed by way of Commission (Wai 903, #2.4.86), the report is to focus on the following questions:

a. What economic opportunities existed for Whanganui Maori communities using their remaining lands in whatever form between the 1880s and 2000? In particular, what was the general pattern of Maori land-use strategies? What were the economic land-use outcomes, how did they differ, if at all, from outcomes for non-Maori, and if so, why?
b. What was the nature and extent of economic opportunities and alternatives for Whanganui Maori communities within the Whanganui district economy between the 1880s and 2000? What was the degree of Whanganui Maori participation at all levels of the district economy, and the impact, if any, of Maori economic migration within and outside of the Whanganui district? In what ways, if at all, did such opportunities, participation and migration differ for Maori compared to the rest of the Whanganui population, and if so, why?
c. To what extent:
    i. was the Crown aware of the economic status of Whanganui Maori between 1880 and 2000?
    ii. did the Crown seek to inform itself of this status, in particular of adverse aspects?

iii. were Whanganui Maori considered in government economic policy formation and information gathering with regard to the Whanganui economy and Whanganui land-use?

iv. did international and national economic factors impact on the development of government economic policy with respect to the Whanganui district?

v. did information gathering, policy formation and other government responses differ, if at all, between Maori and other sections of the district's population, and if so, why?

d. Any other matters of relevance

Methodology

As noted, this report is intended to supplement existing casebook reports, in particular those of Rose and Stevens.[1] The sources used by these reports and the document banks compiled for them have been heavily relied on in this report. These provided the most comprehensive source of material concerning the changing economic situation of Whanganui Maori over time. For New Zealand general economic history, the major sources relied on have been Hawke, Easton, Belich, King and relevant entries in the Oxford History of New Zealand.[2] These sources were supplemented by theses considering various aspects of Whanganui district life and society, as well as a wide range of secondary literature dealing with the general history of the district, reports commissioned by government and other bodies, and government censuses and statistics. Sources used are noted in the bibliography. Maps that can be usefully consulted in conjunction with this report are found in J. Mitchell and C. Innes, 'Whanganui and National Park Alienation Study' (Waitangi Tribunal,2004), pp 38-55 in particular Map S2.4 on page 55, which shows current Maori land and landcover. The CFRT mapbook, 'District Overview Mapbook 01: The Whanganui Inquiry District', (CFRT:August 2007)

[1] K. Rose, 'Whanganui Maori and the Crown: Socio-Economic Issues', (CFRT,2004); and E. Stevens, 'Socio-Economic Consequences of Land Loss for Maori in the Whanganui, Rangitikei, Manawatu and Horowhenua Districts. 1870-1960', (CFRT,1997)

[2] G. Hawke, *The Making of New Zealand: An Economic History*, (Cambridge,1985); B. Easton, *In Stormy Seas: The Post-War New Zealand Economy*, (Dunedin,1997); J. Belich, *Paradise Reforged. A History of the New Zealanders From the 1880s to the Year 2000*, (Auckland,2001); M. King, *The Penguin History of New Zealand*, (Auckland,2003); and G. Rice (ed.), *The Oxford History of New Zealand, second edition*, (Auckland,1992)

also has useful maps of Maori land loss (plates 106-122), and a New Zealand Deprivation Index pertaining to the Whanganui Inquiry district (plate 124).

After general consideration of the state, the economy and Maori economic development, this report offers a brief description both of the land of Whanganui district, and of its economic history to 1880. From 1880 the approach adopted has been essentially comparative. Pakeha economic development from 1880 is outlined, with a focus on factors which explain its vigour as well as the issues that increasingly began to slow growth for this economy to 1930. Maori economic development to 1930 is then compared and contrasted. Both Pakeha and Maori economic development are compared together in one chapter from 1930 to 2000 for reasons that are explained in that chapter, before final conclusions are drawn.

The methodology adopted relies substantially on reports and documents readily available, but tries to draw out of the existing material a more focused understanding of the economic situation of Whanganui district so as to address the commission questions as accurately as possible. Brief, sometimes tantalising discussions of economic consequences identified in existing casebook reports have been extracted, compared with other economic material and contrasted, in an attempt to discover a coherent economic understanding to the changing fortunes of Whanganui Maori. Because this report is looking at aspects of the economic history of Whanganui Maori 1880 to 2000, it does not claim to be a comprehensive economic history of the district, rather it seeks to outline and explain why Whanganui Maori economic development took the course it did.

This report also does not attempt to summarise or tell again the story of the Native Land Court in the region, the Aotea Maori Land Councils and Boards, the vesting of Maori lands, the Stout-Ngata Commission, land development schemes, trusts and incorporations, nor the changing and evolving nature of Maori land law. These are already adequately covered by existing reports. Rather, knowledge of these factors will be largely presumed and this report will comment on aspects of their economic effects. Factors such as education, health and housing will also be largely ignored, not because

these have no bearing on an economic history, but because to include them would take this report beyond both its commissioned direction and manageable size. This report aims to supplement discussion and analysis of those vital factors that are covered in other reports for this inquiry. Finally, a substantial part of this report concerns the local Whanganui Pakeha economy because it is essential to grasp the factors driving this economy and the transformation it produced within the Whanganui district if Whanganui Maori economic development is to be understood.

Broad theoretical discussion of key concepts

Prior to commencing directly with the Whanganui inquiry district economic situation, a brief discussion introduces some major structural elements to help understand Whanganui inquiry district economic history. These are the concerns and nature of an evolving state power in New Zealand, the nature of the economic system that was to so powerfully transform the Whanganui district, followed by some general observations on Maori economic development. At this point, the discussion is quite abstract, essentially serving to conceptualise major structural elements of state and economy that were developing in the nineteenth century. The body of the report brings life to these abstractions through a focus on the Whanganui inquiry district.

The state

This section[3] highlights some of the characteristics that an evolving state structure was to acquire over the nineteenth and twentieth centuries, especially in dealing with land. These characteristics are generally shared in common by most nation states, and so are not confined to the particular history of the nation state in New Zealand. This alerts us to the fact that the state in New Zealand is a structure whose characteristics are not unique. The state is driven and shaped by forces and needs, and has responded in a number of broadly standardised ways.

Very briefly some of these characteristics are as follows. If statecraft could be described as becoming more sophisticated, the elements of this sophistication included the

[3] Much of the following discussion is drawn from J.C. Scott, *Seeing Like a State*, (Yale University,1998), chaps 1 and 2; R. Mulgan (updated by P. Aimer), *Politics in New Zealand, third edition*, (Auckland, 2004), and C. Tilly, *Coercion, Capital, and European States, A.D. 990-1992*, (Oxford,1990).

standardisation of weights and measures, the establishment of cadastral surveys and population registers, the invention of freehold tenure, the standardisation of language and legal discourse, the regulation of currency and banking systems, the design of cities and the organisation of transport. None of these elements was invented by the New Zealand state but all of them were applied by the New Zealand state in New Zealand. While it might be argued that some of them served to benefit Maori, Maori had no choice but to engage with the state on these terms.

For reasons that reach well beyond the confines of this report, the emerging nation state has found accommodating the extraordinary variety of customary land tenure wherever it existed virtually impossible. It always introduces a radically different system, typically individual freehold tenure. 'The fiscal or administrative goal toward which all modern states aspire is to measure, codify, and simplify land tenure.'[4] As a result of the implementation of this process, land is owned by a legal individual who possesses wide powers of use, inheritance, or sale and whose ownership is represented by a uniform deed of title enforced through the judicial and police institutions of the state. In an agrarian setting, the administrative landscape is blanketed with a uniform grid of homogeneous land, each parcel of which has a legal person as owner and hence taxpayer. The advantages for the state are significant. It is much easier to assess such property and its owner on the basis of its acreage, its soil class, the crops it normally bears, and its assumed yield than to untangle the confusion of common property and mixed forms of tenure. Over time such conversion has never been easy, has often been violently resisted, and has not always been completely successful, yet the general tendency is consistently in the direction of this form of freehold tenure propelled by the state. In Britain's case, this process of conversion had brought about the enclosure of the Commons and the Highland clearances.[5]

[4] Scott, *Seeing Like a State*, p. 36
[5] For the enclosure of the Commons, see E.Hobsbawn, *Industry and Empire*, (New edition, London,1999), pp 78-81; for the Highland clearances, see T.M. Devine, *The Scottish Nation 1700-2000*, (London,1999), pp 105-248, and; T. Brooking, *Lands for the People? The Highland Clearances and the Colonisation of New Zealand, a biography of John Ballance*, (Dunedin, 1996), for the significance of the Highland clearances in understanding the motivations of a major New Zealand politician.

The state's case against communal forms of land tenure, however, was based on the correct observation that it was 'fiscally illegible and hence fiscally less productive'.[6] As long as common property was abundant and had essentially no fiscal value, the 'illegibility' of its tenure was no problem. But the moment it became scarce (when 'nature' became 'natural resources', that is, something from whose exploitation capital could be accumulated), it became the subject of property rights in law, whether of the state or of the citizens. The history of property rights in this sense has meant the inexorable incorporation of nature, including forests, game, wasteland, prairie, subsurface minerals, water and watercourses, into a property regime.

The increase in state power that occurs allows opportunities at a number of levels. Larger military forces can be sustained if finance can be raised more comprehensively. When barriers to trade, to internal communication, and population movement are reduced, the possibility of economic development is opened up. A range of interests, especially military, commercial and administrative, converge on the advantages that accrue through a coherent state structure that both facilitates wealth creation and breaks down social, cultural and political obstacles to that wealth creation. In practice, this gives particular force to those interests in society whose positions can be advanced and strengthened through the expansion of the state. Therefore, the state structure that evolves is both driven by certain imperatives of efficiency and development, and empowers groups who can use state structures effectively to their own advantage.

For example, while settlers in New Zealand placed significant pressure on the government to secure a certain sort of property regime, it would be naïve to ignore the state's own imperatives for economic and social manipulation. Whatever the establishment concerns and process inefficiencies of the Native Land Court, its overall effect of creating measurable, taxable, saleable, freehold property accorded precisely with state expectations, and further empowered those groups for whom this form of land tenure system was the normal expectation.

[6] Scott, *Seeing Like a State*, p. 39

Furthermore, the administrative process accompanying this land tenure revolution flung Maori into a world of title deeds, land offices, fees, assessments, and applications. They faced powerful new specialists in the form of land clerks, surveyors, judges and lawyers whose rules of procedure and decisions were unfamiliar, or at least less familiar than for Pakeha. A number of reports in this inquiry, indeed in most district inquiries, cover the issues that arose for Maori because of this land tenure transformation.

This standardisation is attractive to the state for another significant reason, namely its convenience in turning land into a standardised commodity for the market. The property grid creates regular lots and blocks that are ideal for buying and selling. This feature suits equally the surveyor, the planner, and the real-estate speculator. Bureaucratic and commercial logic, in this instance, go hand in hand. It was for this reason that Pakeha interests, so often competing at different political and social levels, displayed a tight unity when confronting Maori land. The state is here both the instrument of certain interest groups and the home of interest groups disciplined into the working of state power. This did not preclude serious disagreement among interests, only that such disagreement would occur within the nation state's political structure whose flexibility and authority depended on its capacity to contain and direct disagreement constructively.

More broadly, and not just concerning land, dealing with the state becomes virtually unavoidable for all but a small minority of the population. Petitions, court cases, school documents, applications, and correspondence with officials gradually became English language documents, or if not, required translation for a state response to be given. Regardless of intention, this was a significant shift in power. Local systems of knowledge and authority simply lacked competence in their own terms in dealing with the state. Guides were often needed to address the state effectively, creating dependency on lawyers, bureaucrats, and schoolteachers. These bureaucratic professions in turn helped ensure the acceptance of official, 'normal' ways of politically and socially organising to participate effectively within the state, operating as gatekeepers to the state.

The state's vision of its citizens also changes in line with the methods used to grasp social reality. Individuals in a society are aggregated into particular state usable categories through which state understanding is derived such as tax proceeds, lists of taxpayers, land records, average incomes, unemployment numbers, mortality rates, trade and productivity figures, the total number of cases of influenza in a certain district and so on. This is important when considering a commission question like 'To what extent was the Crown aware of the economic status of Whanganui Maori between 1880 and 2000?' The Crown 'sees' Maori, as indeed it 'sees' any group of citizens, through categories that the state itself imposes for its own convenience. The extent to which the state's characterisation actually corresponds to the alleged social reality is itself always a question, but the state at the same time cannot afford to be too inaccurate otherwise social knowledge and control is weakened. Shifting emphases over time in census questions, for example, are propelled by the state's changing needs to understand better new aspects of social reality.

The idea that one of the central purposes of the state was the improvement of all the members of society – their health, skills and education, longevity, productivity, morals, and family life – took some time to develop. When it did, the enhanced power of the state in terms of its capacity to gather information about its citizens made such objectives more feasible. This was a development of the late nineteenth and early twentieth century state right across the western world. This in turn gave a further impetus to the production of statistical knowledge about the population – its age profiles, occupations, fertility, literacy, property ownership, law-abidingness (as demonstrated by crime statistics) – allowing even more effective interventions.

For the state to be aware of Maori, including their economic status, Maori society had to be transformed into components that the state could understand and manipulate. The extent to which the state was able therefore to address Maori society effectively was conditional on the extent to which Maori society had been transformed into categories the state could recognise. Ironically, some of the very social disruptions that transformed Maori society provided the basis for the state's ability to make Maori 'legible' to itself. Accepting that the state must play a part in assisting in one's social and economic

development opens the way for categorisation within state-driven imperatives. Finally, being recognised by the state within categories that make sense to the state does not guarantee that the state will respond, or the manner of response of the state, to issues arising for those so categorised. The nature and extent of whatever state response to issues arising, for example with Maori, is mediated through competing interest groups of varying political power and access to the state. Priorities are not always set by need.

As Scott aptly summaries:

> An illegible society, then, is a hindrance to any effective intervention by the state, whether the purpose of that intervention is plunder or public welfare. As long as the state's interest is largely confined to grabbing a few tons of grain and rounding up a few conscripts, the state's ignorance may not be fatal. When, however, the state's objective requires changing daily habits (hygiene or health practices) or work performance (quality labour or machine performance) of its citizens, such ignorance can well be disabling. A thoroughly legible society eliminates local monopolies of information and creates a kind of national transparency through the uniformity of codes, identities, statistics, regulations, and measures. At the same time it is likely to create new positional advantages for those at the apex who have the knowledge and access to easily decipher the new state-created format.[7]

The challenge for the type of state emerging through the nineteenth and twentieth centuries, and not only in New Zealand, was to reduce the chaotic, disorderly, constantly changing social reality beneath it to something more closely resembling the administrative grid of its observations. 'In the period of movement from tribute to tax, from indirect rule to direct rule, from subordination to assimilation, states generally worked to homogenise their populations and break down their segmentation by imposing common languages, religions, currencies, and legal systems, as well as promoting the

[7] Scott, *Seeing Like a State*, p. 78

construction of connected systems of trade, transportation, and communication.'[8] This is a general observation, for which New Zealand provides one of many case examples.

The aspiration to such uniformity and order is inherent in the progress of the state, and is therefore not particular to the New Zealand state. The process could be described, not over dramatically, as a project of internal colonisation, to which all peoples are subject until reformed as citizens. The builders of the modern nation-state in New Zealand and elsewhere do not merely describe, observe, and map. They strive to shape a people and landscape that will fit their techniques of observation. Nationally and regionally, New Zealand faced major challenges to the expansion of a coherent state authority in the nineteenth century. Within Pakeha society, there were different ideas competing about how New Zealand should be organised, what interests should be advanced or retarded, what regions should receive assistance, how finance was to be raised, how development was to proceed. This report comments briefly on these general tensions, before focussing primarily on the Whanganui inquiry district. Maori participation, in whatever form within the emerging state structure could not detract from the challenge and even threat that such participation might pose to Maori economic, social and cultural well being.

From the end of the nineteenth century, New Zealanders, particularly Pakeha New Zealanders, developed a broad political consensus in favour of a relatively active state.[9] From the mid nineteenth century, the state was seen as a major agent of economic and social development. It was the main organisation with the resources capable of developing the country in a way that met the demands of the growing number of settlers. There was widespread support for state initiatives in such areas as economic investment, the provision of commercial services such as insurance and mortgage finance, the control of labour relations, the payment old of age pensions. The state was also seen as an important instrument for achieving social egalitarianism and equal opportunity for all citizens. In the middle decades of the twentieth century, this consensus was extended to cover state-provided health and family benefits, as well as state housing and welfare

[8] Tilly, *Coercion, Capital, and European States*, p.100
[9] The following general description is adopted from Rice (ed.), *Oxford History of New Zealand*, chaps 9 and 10.

benefits for those in need, a combination of policies to be grouped under the general heading of the 'welfare state'.

As noted, this discussion has been of an abstract nature concerning the operation of state authority. Later chapters in the report integrate these general points into the Whanganui inquiry district economic experience. Finally, a key consideration for a coherent state was the extent to which it was able to co-ordinate the demands of a vigorous economic system, and merge New Zealand more effectively within that system so as to ensure economic development.

Capitalism

Even more briefly than the discussion on state authority this report also introduces, again at a fairly abstract level, some observations about the economic system which was in the process of transforming the world in the nineteenth century and still is, namely capitalism. This is a subject that has produced a vast amount of research, literature and debate.[10] Some understanding of the dynamism of capitalism is crucial to understanding Whanganui Maori economic development, as well as how some of the constraints and opportunities created by international and national capitalism intertwined with state authority.

Rather than attempt a summary of the voluminous literature on this subject, the approach adopted here is to go directly to the greatest critic of capitalism, Karl Marx, and his trenchant observations made in the *Communist Manifesto* of 1848.[11] This document, while obviously fundamentally critical of capitalism, also highlights in a powerful and memorable manner, the extraordinarily creative vitality and revolutionary impact of capitalism on human society. The point of this discussion is not to enter into criticisms of

[10] Useful general discussion can be found in G. Arrighi, *The Long Twentieth Century*, (London,1994); N. Ferguson, *The Cash Nexus. Money and Power in the Modern World 1700-2000*, (London, 2001); Hobsbawn, *Industry and Empire*; D.S. Landes, *The Unbound Prometheus. Technological Change and Industrial Development in Western Europe from 1750 to the Present*, (Cambridge,1969); K. Polanyi, *The Great Transformation: The Political and Economic Origins of Our Time*, (Boston,1957); and I. Wallerstein, *Historical Capitalism, with Capitalist Civilisation*, (London,1995).

[11] Karl Marx, 'The Communist Manifesto', in D. McLellan (ed.), *Karl Marx: Selected Writings*, (Oxford,1977), pp. 221-247

capitalism but simply to note some of its general characteristics that need to be kept in mind when looking at a particular national economy, or as is the case here, a district economy. Again, as with state authority, New Zealand did not invent capitalism but it has been radically transformed by it. Something of capitalism's transformative and revolutionary character needs to be understood so as to place Whanganui Maori economic development within a broader and more informative context.

In the broadest sense, New Zealand was formed as a colony of the most successful capitalist power in the world for much of the nineteenth century, until competition from other capitalist powers undermined Britain's lead. British specialisation in industrial capitalism meant that for New Zealand to participate in profitable market exchange, it had to produce saleable products, products that Britain needed. After some uncertainty in the nineteenth century as to what these products might durably be, the invention of refrigeration provided the technological basis for the development of small scale, owner-operator farming. This invention, and state support around it, became the means by which a peripheral economy became integrated into the international economy. This fundamental capitalist-driven requirement to compete profitably on world markets in order to sustain a viable New Zealand is a key factor in understanding the nature and shape of New Zealand society.

The drive to compete economically for profit gives an advantage to those who can invent or create more effective means of competition. The discovery of new technology has a major profit making impetus. Its social effect is constantly destabilising as new technologies undermine former ways of working and living, and the authority that integrated these two factors. Capitalism is not just an economic option; it is socially and politically revolutionary for any society that is exposed to it. Marx puts it graphically:

> The bourgeoisie cannot exist without constantly revolutionising the instruments of production, and thereby the relations of production, and with them the whole relations of society. Conservation of the old modes of production in unaltered form, was, on the contrary, the first condition of existence for all earlier industrial classes. Constant revolutionising of production, uninterrupted disturbance of all

> social conditions, everlasting uncertainty and agitation distinguish the bourgeois epoch from all earlier ones. All fixed, fast-frozen relations, with their train of ancient and venerable prejudices and opinions, are swept away, all new-formed ones become antiquated before they can ossify. All that is solid melts into air, all that is holy is profaned, and man is at last compelled to face with sober senses, his real condition of life, and his relations with his kind.[12]

The energy unleashed by capitalism cannot be contained within one country. A world market emerges, and as it spreads it absorbs and transforms whatever local or regional markets it touches:

> The need of a constantly expanding market for its products chases the bourgeoisie over the whole surface of the globe. It must nestle everywhere, settle everywhere, establish connections everywhere. […]All old-established national industries have been destroyed or are daily being destroyed. They are dislodged by new industries, whose introduction becomes a life-and-death question for all civilised nations, by industries that no longer work up indigenous raw material, but raw material drawn from the remotest zones; industries whose products are consumed, not only at home, but in every quarter of the globe. In place of the old wants, satisfied by the productions of the country, we find new wants, requiring for their satisfaction the products of distant lands and climes. In place of the local and national seclusion and self-sufficiency, we have intercourse in every direction, universal interdependence of nations.[13]

Production and consumption – and human needs – become increasingly international and cosmopolitan. The scope of human desires and demands is enlarged far beyond the capacities of local industries, which consequently collapse if they cannot adapt. Independent peasants and farmers, and artisans, cannot compete with capitalist mass production, and are forced to leave the land and close their workshops. In other words, patterns of massive social transformation, as the life and traditions of the countryside are transformed in order to become competitive for local, national and international markets,

[12] Marx, 'Communist Manifesto', p. 224
[13] Marx, 'Communist Manifesto', p. 224

are standard features within a capitalist system. Massive international migration characterises countries being transformed by capitalism, and a small steady stream of those migrants comes to New Zealand. Capitalism moulded the world of nineteenth century Pakeha, transforming their society in Great Britain, and creating the networks and opportunities to transform another environment, New Zealand, into a further link in the world market chain.

These changes are accompanied by a massive social and economic rationalisation and standardisation:

> The bourgeoisie keeps more and more doing away with the scattered state of the population, of the means of production, and of property. It has agglomerated population, centralised means of production, and has concentrated property in a few hands. The necessary consequence of this was political centralisation. Independent or but loosely connected provinces, with separate interests, laws, governments, and systems of taxation, became lumped together into one nation, with one government, one code of laws, one national class-interest, one frontier, and one customs-tariff.[14]

In other words, and as was noted in the discussion on the state, some legal, fiscal, and administrative centralisation must take place, in order for these great changes to go smoothly. This centralisation takes place wherever capitalism goes, although the extent to which centralisation is contested, serves to modify its particular effect. Nation states arise and sometimes accumulate great power, although that power is continually undermined by capital's international scope. This integration of economic development and competition, and state authority, is not without tension, and each country, each region expresses the tension differently. The Whanganui inquiry district has a distinct history in part through the particular interaction of political authority and economic development.

One might even hazard the speculation here, which may aid reflection on the social and political motives behind the operation of the Native Land Court, that the establishment of the political state and the creation of a society of primarily independent individuals –

[14] Marx, 'Communist Manifesto', p. 225

whose relations with one another depend on law – is part of the same process of transformation. In other words, the process that frees property from its former political and social associations in Maori society to achieve its purely economic form, is the same process wherein individuals become progressively detached from the communities and families through whose membership they previously drew their connections to their land. Both the individual and property are freed up from prior social imbedding to become autonomous before state law. There are major state and economic imperatives therefore behind the individualisation of both land and people.

Finally, a last word from Marx here, as he highlights the novel, gigantic, innovative energy of capitalism:

> Subjection of Nature's forces to man, machinery, application of chemistry to industry and agriculture, steam-navigation, railways, electric telegraphs, clearing of whole continents for cultivation, canalisation of rivers, whole populations conjured out of the ground – what earlier century had even a presentiment that such productive forces slumbered in the lap of social labour?[15]

This extraordinary economic dynamism, (no one disputes the dynamism), hit New Zealand in the nineteenth century, reshaped it irrevocably, and continues to shape and reshape the country today. New Zealand in the nineteenth century became progressively part of a newly emerging and constantly changing economic order, for which it modified itself and in which it played a subsidiary role. Although there have been various experiments to achieve non-capitalist economic growth, New Zealand's economic development has always been set in the context of capitalism. But this means different things at different times of the country's history, both nationally and regionally, depending on specific external and internal factors of the time, and the course of prior development. When investigating a much narrower case study such as the Whanganui inquiry district, the fact that it became integrated into a capitalist economy means that one should expect to see some of the general features outlined here.

[15] Marx, 'Communist Manifesto', p. 225

Integration into a capitalist economy will always be challenging, changing social customs, land-use patterns, authority structures, migratory patterns, economic stability and opportunity, down to elements such as housing, education, health, and longevity. The arrival of capitalism is always and everywhere revolutionary, and inevitably provokes some form of resistance. The challenge for any state, indeed part of the mandate of state authority, is not to allow the destructive and creative forces unleashed by capitalism to overwhelm the social cohesion of the nation state. On the whole the New Zealand nation state has been remarkably successful in this endeavour, but in particular instances over time the economic benefits have varied between groups and regionally.

This report focuses on the economic history of Whanganui Maori, for whom the effects of capitalism and the exercise of state authority will ensure that much of Whanganui district economic history will lie outside the control of Whanganui Maori. Capitalism and the responses of the state to capitalism, which in turn impact on the decisions of multiple and competing capitalists both in the particular state and outside it, sets the scene for what, in particular cases such as the Whanganui inquiry district, is unlikely to have been an entirely positive experience for all participants. Only a particular history can reveal how these major elements worked out in the specific context of the Whanganui inquiry district.

Researching Maori economic development

Understanding Maori economic development in detail poses a particular set of problems, as identified by John Macrae in 1975:[16] 'Furthermore, whilst much has been written in the post-war period on Maori questions, in reviewing the literature one is struck by the absence of penetrating specialist studies relating to economic development'.[17] Macrae notes a partial explanation for this absence of studies:

> Part of the explanation lies in the deficiency of statistical information. For example, at the start of the 1970s, it is not known how Maori incomes are related to age, experience or education, what proportion still have interests in Maori land,

[16] J.T. Macrae, 'A Study in the Application of Economic Analysis to Social Issues: The Maori and the New Zealand Economy', (PhD, University of London, 1975)
[17] Macrae, 'A Study in the Application of Economic Analysis', p. 9

and the returns on these interests: how many Maori households there are, what is their composition and so on.[18]

The absence of detailed specialist studies and the deficiency of statistical information for most of nineteenth and twentieth centuries concerning Maori economic development are a challenge for reports of this type.[19]

Macrae also identifies what he considers must characterise any such study, and this report has followed this approach closely, namely that: 'One cannot, in any case, effectively study Maori economic development in isolation from either the historical context or from the general situation of the dominant group, nor can one neglect other minority groups where their existence affects resource allocations.'[20] When economic development is investigated in historical context and acknowledges the different roles of significant groupings, then at least some of the obstacles to a better understanding of the nature and process of Whanganui Maori economic development are likely to be overcome.

Conclusion

As both the newly arrived and evolving state with its attendant local structures of authority and the new expanding capitalist economy break down traditional forms of authority and order, especially among Maori, the state is increasingly empowered and expected to bring order and authority to the new situation. The state's powers have been broad and wide ranging, especially from the end of the nineteenth century as state authority became more effectively imbedded in New Zealand society. Government participation in the New Zealand economy involves the making and enforcing of laws and regulations, for example through setting tax levels, regulating the conduct of business, setting labour market law and regulations, border control and monetary policy. The government also spends, for consumption and investment, on administration, health, education, housing, and infrastructure. Spending also occurs in support of industry in the form of grants and loans, and transfer payments to households such as subsidies and welfare benefits.

[18] Macrae, 'A Study in the Application of Economic Analysis', p. 9

[19] H. Petrie, *Chiefs of Industry. Maori Tribal Enterprise in Early Colonial New Zealand*, (Auckland,2006) is a welcome study of Maori economic development for the early and mid-nineteenth century.

The extent of this involvement has changed over time. The government plays a significant role in promoting, directing and regulating the economic environment, but can never entirely control it, as natural, political and economic constraints, which may vary over time, limit government agency.

However, over and above structural and economic constraints, there are political realities that impinge on state freedom of action, as noted by Mulgan:

> Those who make the key decisions relating to business investment have the power, collectively, to make or break a government. The government's popularity depends heavily on the performance of the national economy, which in turn depends on the level of economic activity in the private sector. A buoyant private sector requires that investors have confidence that they will receive a good return on investments. The level of this confidence depends on many factors, including the trends in the world economy which are beyond the control of New Zealand and its government. But one critical factor is whether business leaders and investors consider that the government is taking the right decisions in terms of its management of the economy, for instance in the levels of government expenditure and taxation. Any government which wishes to maintain a prosperous economy must therefore give especial weight to the likely reactions of business investors to its decisions.[21]

One ramification of this point is that input into government decision making is not equally shared among different sectors of society since some, because of what they do, have more opportunities to influence outcomes in their favour. If Maori in the Whanganui inquiry district and elsewhere are not well represented among influential groups, then a significant capacity for influencing government policy is not available.

More broadly, state and economic imperatives challenged Maori autonomy and economic self-sufficiency. The Whanganui inquiry district provides an opportunity to investigate

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[20] Macrae, 'A Study in the Application of Economic Analysis', p. 9
[21] Mulgan, *Politics in New Zealand*, p. 313

aspects of the economic history of one district to see how this challenge impacted on Whanganui Maori over time.

Chapter Two – Early Period to 1880: land and people

This chapter provides a brief overview of the land and environment of the Whanganui district, as well as a short history of Maori and Pakeha in the region highlighting economic aspects to 1880. The environment of the Whanganui district is a crucial component in understanding the economic history of this district, especially the difficulties it posed for Pakeha economic transformation. While substantially transformed by Pakeha intervention, the environment was stubbornly resistant to the economic aspirations of Pakeha and still provides a major challenge for economic development. Or put another way, the attempts to radically alter this environment failed to appreciate the extent to which it was unsuited to the type of economic activity envisaged for it. This was less clear in the early days, and the evident early prosperity of Maori in this district, and early Pakeha expansion, suggested that it was a region with real development potential. Perhaps it was, but not entirely along the lines that were to be adopted after 1880.

The Land

In outline the physiography of the Whanganui district is simple.[22] It can be divided into three broad landform units; (i) the volcanic plateau of the interior; (ii) the dissected hill country of inland Whanganui; and (iii) the elevated coastal lowland (cf also appendix 2, map 2: geology, and map 3: soils, pages 151 and 152).

The volcanic plateau

General surface features of the volcanic plateau have been produced by frost action and stream erosion on structures of volcanic origin. Large quantities of material disintegrated by frost combine with fragments thrown up by volcanoes and lie loose on the surface. This loose covering is constantly being moved down to lower levels by new slips and by the streams which flow down the mountainsides.

[22] Information concerning the character of the land is derived from New Zealand Town and Country Division, Ministry of Works, *National Resources Survey Part vii, Wanganui Region*, (Wellington,1971), chap 5; and B. G. R. Saunders (ed.), *Introducing Wanganui*, (Palmerston North, 1968), Part One: Physical Environment; and C.Marr, 'Crown Impacts on Customary Authority over the Coast, Inland Waterways (other than the Whanganui River) and associated mahinga kai in the Whanganui Inquiry District', (Waitangi Tribunal,2003), pp 12-23, in which can be found a much more extended discussion of the local Whanganui environment and Whanganui Maori relationships with it.

On the northwestern and western sides of Mt. Tongariro rise the headwaters of the Whanganui river. Several of the major tributaries of the upper Whanganui and many of their feeders rise a little further south; notable among these are the Mangatepopo and the Whakapapa. Further south again the Manganui o te Ao, the Mangawhero and the Whangaehu draw their headwaters from the western slopes of Mt. Ruapehu. After flowing in fairly open channels on the mountain slopes, the rivers cut deep gorges below the level of the pumice plateau.

The dissected hill country

The dissected hill country area, comprising more than two-thirds of the Whanganui district, is part of a widespread plateau of very gently inclined beds of sandstones and mudstones. The original land surface was reduced to a peneplain (a fairly flat area of land produced by erosion), and then subsequently uplifted by a series of earth movements. Stream erosion has now reached such a stage that only a few remnants of the original surface now remain. 'A general tilting of the plateau to the southwest gives a gradual fall from 2500 feet in the interior to 500 feet near the coast. Across the surface of this uplifted peneplain, large streams, like the Whanganui, the Manganui o te Ao, the Mangawhero and the Whangaehu, were easily able to cross the region in deeply entrenched valleys separated by sharp-crested ridges.'[23]

The Whanganui and Whangaehu rivers and their main tributaries flow in a general southerly direction down the slope of the plateau; elsewhere the smaller tributary streams branched out freely in all directions on a surface of soft homogeneous rock. 'As a consequence, the plateau has been carved into maze of symmetrical razor-backed ridges. High altitudes, 2000 feet over much of the region, and marked uniformity of summit level, serve to accentuate the jagged terrain produced by this fine-textured dissection.'[24]

[23] Saunders, *Introducing Wanganui*, p. 30
[24] Saunders, *Introducing Wanganui*, p. 31

The elevated coastal lowland

The coastal lowland is a narrow belt of country extending inland to about fourteen kilometres from the coast before merging into the hill country zone. The region consists essentially of two broad marine terraces (Rapanui and Brunswick) which represent stages in the successive uplift of the lowland. 'These terraces are separated by a line of old sea cliffs and are cut into doabs and mesas by the streams entrenched below their surface. The terraces slope gently seaward and their level surface is broken only by occasional ancient sand dunes.'[25] On the seaward margin of the lower terrace (the Rapanui terrace) there is a belt of recent sand dunes which has blocked drainage to form a chain of small shallow lakes parallel to the coast (Westmere, Virginia, Kaitoke, Wiritoa and Pauri are well-known examples).

The Whanganui river crosses the lowland as a deep tidal stream. Smaller streams and tributaries flow in more or less westerly courses at an angle to the river. Everywhere rivers and streams have cut deep valleys below the uplifted surface of the lowland. In the valley of the Whanganui particularly, because of the intermittent uplift of the lowland itself, a number of prominent valley-plain terraces have been formed. These terraces (the St. Johns, Papaiti, Aramoho and others) are particularly well defined in the Whanganui city area.

Environmental factors

The Whanganui hill country is part of a much larger ecological zone, which stretches along the west coast of the North Island and includes the greater part of the King Country and inland Taranaki areas. Due mainly to the equable climatic conditions, this area is quite distinct from the hill country areas of the Wairarapa and Hawke's Bay districts. The high annual rainfall, the high humidity and the relatively mild, misty winters of the west coast, all favour luxuriant plant growth. Consequently the area was covered by dense rain forest dominated by tawa, but with rimu, totara, rata, matai, miro, hinau, rewarewa, and kamahi as sub-climax species.[26] The very nature of this rain forest, plus the climatic conditions, meant there was a strong natural tendency for rapid regeneration. Also, this

[25] Saunders, *Introducing Wanganui*, p. 31

indigenous vegetation cover aided in soil stabilisation by protecting the soil from heavy rains, by providing a layer of humus which absorbed rainfall and allowed it to percolate slowly through the soil, and by the formation of a complex root zone which acted as a soil binding agent. Yet it appears from early reports that even under natural conditions earth flows and slips frequently occurred.[27]

'Prolonged, high intensity rains are common in winter and since the underlying rocks are weak sediments of mudstones, sandstones and marls, the country is deeply dissected with steep slopes and sharp ridges. All these factors combined to give rise to a high potential for erosion, which was balanced by the effect of the rain forest on micro-climate soil formation and regeneration of the rain forest within the system.'[28] What is revealed is a stable environment, but fragile, especially if drastically meddled with.

Whanganui Maori to 1880. Some economic aspects

Quickly realising the value and advantage of the river both as an abundant source of food supply and as a great highway to reach the interior of the North Island, Maori established themselves in villages on both banks of the river, from the sea coast to as far inland as Taumarunui, and also penetrated into the territory served by the tributaries of the river.[29] The rugged country of the upper reaches provided strong and strategic positions. Pallisaded pa cut deep into the ridge tops and offered protection and security when hostile tribes sought to challenge the hereditary rights of the river Maori. The history and legends of these river Maori have been passed down from generation to generation; land was their most precious possession, it was their tribal heritage, providing them with all the necessities of life.

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[26] E.B. Levy, *Grasslands of New Zealand*, (Wellington,1955), p.200

[27] J. Cowan, *Sir Donald Maclean*, (Wellington,1940), p.50. During a journey through the upper Whanganui country in 1845, Maclean counted seven avalanches between 8 and 10pm.

[28] Saunders, *Introducing Wanganui*, p. 107

[29] Reports exist for the Whanganui district inquiry outlining aspects of Whanganui Maori history prior to 1880, including B. Stirling, 'Whanganui Maori and the Crown: 1840-1865', (CFRT,2004); and R. Anderson, 'Whanganui Iwi and the Crown 1865-1880', (CFRT,2004). Of particular value again is C. Marr, 'Crown Impacts on Customary Authority', pp 24-33. A further useful source for Maori economic engagement is Petrie, *Chiefs of Industry.* What is offered here is the briefest of summaries, which should be supplemented with reference to these other works.

By the early nineteenth century, the Whanganui river basin was teeming with life. In 1843, the Maori population was estimated to be approximately 3000 people.[30] Innumerable kainga and pa followed the river on both sides and even the difficult middle section of the river was once occupied by 23 settlements, which made use of the level spaces found above the steep walls enclosing the river. As level land was scarce, most of it was carefully cultivated. 'Kumara was the main crop, but in the 1840's and 1850's the missionaries introduced many additional crops (wheat, maize, green vegetables and potatoes) and all kinds of fruit (apples, quinces and peaches were plentiful, and even grapes and mulberries did well in some places). At that time there were no plant diseases, no blackbirds and thrushes; more fruit was produced than could possibly be consumed.'[31]

The river was teeming with eels and lampreys, which were caught with the help of weirs. Eels were often in such good supply that the surplus could be traded with tribes living inland. The forests were rich in birdlife, and bird snaring was a major industry. A small, fruit eating rat augmented the food supply. The forest also provided berries (from the kahikatea, rimu and matai trees), kernels (karako) and, most important, fern roots, which were a welcome standby when other foods were scarce. Much of the work involved in providing food was seasonal. Eels were caught mainly in autumn, lampreys in winter, whereas summer was the season for sea fishing. Taken together with the agricultural tasks of planting, weeding and harvesting, there was a sequence of work throughout the year.

The river was equally important for communications and trade. It provided a comparatively easy access to the interior – via the upper Whanganui to Taupo and the Bay of Plenty, and via the Ongarue to the Waikato. Upland Taranaki was reached by following the lower courses of the Ohura and Tangarakau rivers, whereas the Manganui o te Ao provided a most important link between the Whanganui and Taupo areas. The main river was navigable by native boats from Whanganui to beyond Taumaranui. All the main

[30] R. Woon to Under-Secretary Native Department, no 15, *AJHR*, 1878, G-1, 13
[31] Saunders, *Introducing Wanganui*, p. 53

tributaries were used; the Ohura for thirty kilometres, the Retaruke for twenty kilometres and the Tangarakau for seventy kilometres.

A very considerable amount of trade was carried on along the Whanganui. There was the usual exchange of goods between the coastal areas and the interior; all kinds of seafood (fish, pipi, dried sharkment etc), whalebones, and later various types of Pakeha goods, were transported upstream, while fruit, vegetables, flour and pigs came down the river. Flourmills were also established from the 1850s, involving considerable Whanganui Maori mobilisation and energy.[32]

The local Whanganui Maori economy was vibrant and largely self-sufficient in the 1840s. It supported a range of settlements, with sufficient confidence to take initiatives to expand production for a growing European market. There was a willingness to develop a range of diverse crops, but there was also a growing pressure from Europeans to control more land to grow and supply crops. The economic success of Whanganui Maori, following on from their willingness to engage in the opportunities of the new economy, helped to attract investment for Pakeha in Wanganui, leading to growth and opportunity, but also to challenge from increased Pakeha numbers with an inexorable desire to develop the region further under their own authority.

War in the region in the 1860s retarded economic growth for Maori, as village sites were abandoned, industries given up and trade came to a standstill. Peace did not bring a return to the pre-war situation, as Whanganui Maori had to make sense of the Native Land Court, and work out the implications of land loss to Pakeha within an emerging economy that was about to transform this region out of recognition, and the place of Whanganui Maori within it. Again, while many reports have covered these events, the point to be noted here is how quickly an essentially self-sufficient hunter/gatherer/cultivator society, after engaging marginally and profitably with the emerging capitalist economy, was expected to adapt completely and comprehensively to the new economic regime. Prior to this requirement for comprehensive adaptation, Whanganui Maori had demonstrated a

[32] Petrie, *Chiefs of Industry*, pp 134-139

willingness to engage with Pakeha economically and competence in so doing. The evolution of communal social structures within Whanganui Maori to facilitate capitalist engagement[33] was increasingly challenged by the operation of the Native Land Court. No such comprehensive economic and social adaptation faced Pakeha, which in a competitive, economic environment meant that Pakeha obtained an important advantage over Maori.

Pakeha in the Whanganui district to 1880. Some economic aspects

General economic change and development in NZ to 1880

A very brief overview of aspects of New Zealand early economy history reveals the swift transforming energy of Pakeha.[34] From 1840 British settlers began arriving in large numbers, and the focus of their activity was farming. This was hindered at first by limited access to land, which directly contributed to the wars of the 1860s with Maori. The discovery of gold led to a significant Pakeha population increase and economic expansion especially in the South Island. However, by 1870 the gold rush was effectively over. Exports were dominated by wool, nearly all of which went to Britain. Julius Vogel, finance minister in William Fox's administration, borrowed heavily from overseas to finance public works, including railways and roads. This improved access to many areas, accelerating the growth of pastoral farming, and the desire to acquire land by the significant number of immigrants attracted to New Zealand.

Significant commercial development also occurred. By 1867, the census of factories enumerated 406 establishments: gas works, collieries, sawmills, biscuit factories, ship builders, grain mills, iron foundries, aerated water factories, brick works and malt works. Around this development, banks, insurance companies, finance houses, and professional societies were established to construct the fabric of commercial society. All this was occurring within the context of extraordinary population growth. Between 1861 and

[33] Petrie, *Chiefs of Industry*, is especially useful in exploring how Maori, including Whanganui Maori, adapted to the challenges and opportunities of capitalism.

[34] Information is drawn for this very brief overview from Rice (ed.), *The Oxford History of New Zealand*, chap 3; J. Belich, *Making Peoples; A History of the New Zealanders; from Polynesian Settlement to the End of the Nineteenth Century*, (Auckland,1996), pp 278-348; A. Grey, *Aotearoa and New Zealand: A historical geography*, (Christchurch,1994): and King, *The Penguin History of New Zealand*, pp 191-209

1871, New Zealand's non-Maori population leapt from 99,021 to 256,393. In the next decade, the population almost doubled again to 489,933.[35] All these factors, that is population-driven demand, urbanisation, changes in technology, increasing land use, infrastructure development, and expansion of local manufacturing, pushed the economy to develop and coherently integrate these factors. This placed pressure on the state to manage the demands that such dynamism generated for the overall cohesion of New Zealand.

Whanganui district

The settlement of Wanganui grew up 7 kilometres upstream from the river mouth, and the port therefore, became established at the settlement and not at Castlecliff, where a more natural site with deeper water was available.[36] However, for the small sailing vessels, the depth of water in the river up to the settlement was adequate, only minor improvements such as the removing of snags was needed. The main problem of the Whanganui river as a port was the bar across the river mouth. This was always a source of worry to early skippers as the channel through it was constantly changing because of floods, changing currents and winds. Strandings on the bar were quite common, although there was sufficient water across the bar for the small class of vessels serving the port.

The development of Wanganui was closely associated with the development of its port. Shipping became established not only as a service to settlers, but as an industry in itself. Leading in this business was the firm of Taylor and Watt, established in 1842. These Scotsmen established a large store in Wanganui, built a jetty in the river, and increased their fleet in later years to six vessels, which were involved in both coastal and inter-colonial trade.

[35] Rice (ed.), *The Oxford History of New Zealand*, p. 116

[36] Information for this overview of Wanganui has been drawn from Saunders, *Introducing Wanganui*; M.J.B. Smart and A.P. Bates, *The Wanganui Story 2nd ed.*, (Wanganui,1973), pp 145-156; L.J.B. Chapple and H.C. Veitch, *Wanganui*, (Hawera,1939), pp 110-128

The precarious existence of Wanganui during the 1840s[37] was reflected in the nature of its trade. Imports included a great quantity of alcohol; exports included pork, ham, live pigs and potatoes – the latter two often purchased from Maori. There was, at the time, no widespread farming. During the 1850s the land around Wanganui was developed, the main livelihood being wheat farming. The key developments facilitating a more confident economic environment for economic endeavour were the Wanganui purchase of 1848, ending the uncertainty over titles, and the 1849 Rangitikei-Turakina purchase, which greatly expanded the hinterland available for further economic exploitation.[38] When the road into the Rangatikei was constructed in 1856, wheat from that area was sent out through Wanganui to other settlements. However, wheat did not continue to play a major role in Wanganui's economy, for wheat from Canterbury proved to be more popular, and a demand for Wanganui meat, mainly beef, grew up on the West Coast and in Auckland.

Overall in the 1850s, the progress of the settlement was one of consolidation. There was a decided increase in population, trading and farming, and shipping activity increased steadily. The New Zealand Company lost its charter and no longer took any part in the town's affairs. The original name of Petrie was formally discarded in favour of Wanganui. The four principal churches, Anglican, Methodist, Presbyterian and Roman Catholic, became established.

When gold was discovered on the West Coast, Wanganui became the main supplier of meat to the gold miners. Such was the trade that Wanganui came to be considered as one of the largest cattle shipping centres in New Zealand. Farmers turned from arable to pastoral farming and this brought about the development of the land hitherto ignored because of its unsuitability for the growing of crops. During the two years beginning November 1871, 6662 head of cattle and 39,456 sheep were sent out through the port. The other main exports were wool and flax. The only figures available for these are for

[37]Stirling, 'Whanganui Maori and the Crown: 1840-1865', pp 109-502 explores the reason for this precariousness, which largely arose as a consequence of uncertain titles to the land, the fighting there in 1847 and general dissatisfaction resulting from the New Zealand Company's involvement in the district.
[38] Stirling, 'Whanganui Maori and the Crown: 1840-1865', pp 503-631

the first six months of 1873, when 2,721 bales of wool and 2,119 bales of flax were exported.[39]

In 1855, Wanganui became a Port of Entry and customs were levied at the Wanganui wharves instead of at Wellington as previously. The great increase of trade through the port was reflected in the customs returns for 1856 (£2,878) and 1865 (£20,239). Part of this money was used by the Provincial government for carrying out improvements in the river. The first outlay was in 1856 when £150 was allocated for the provision of a signal station, pilot, whale boat and crew. These were to assist vessels over the bar and to guide them up the channel to town. Apart from this annual expense, some £150 was spent each year on removing the main obstructions from the river.[40]

In the 1860s, the provincial government increased its responsibilities to the river. For example, it spent over £300 combating erosion of banks opposite the settlement in 1863; in 1864 it erected the Campbelltown wharf for £273, and the Corporation wharf for £1571. In 1865 and 1866 the first plans by competent engineers for port works were drawn up for the provincial government. Although these plans were not carried out in full, they provided the basis for planning in the 1870s and 1880s. Between 1874 and 1881 the population increased from 2572 to 4646.[41]

As internal communications developed, Wanganui became the centre for a wide area, rather than the centre of an isolated community. As more Pakeha settlers arrived and took up land in the Whanganui district, land routes were required to supplement the water routes. Horse tracks, many of which later developed into roads, and the military roads built in the 1860s, followed the lower, flatter land a mile or so inland from the coast. The Whangaehu, Turakina and Whanganui rivers were all crossed by ferries in the 1850s, but these were eventually replaced by bridges. Tenders for the erection of bridges over the Whangaehu and Turakina rivers were received by the Provincial Secretary in January 1857.

[39] Saunders, *Introducing Wanganui*, pp 61-62
[40] Saunders, *Introducing Wanganui*, pp 62
[41] Saunders, *Introducing Wanganui*, pp 62-63

At the same time negotiations were well under way for raising finance for the new bridge across the Whanganui river. There had been agitation for such a bridge since the early 1850s, but the government had not been prepared to sanction such expenditure, and it was not until 1853 that the government consented to provide a ferry service across the river, with all profits going to the provincial government. A wooden bridge, commenced in 1859, was not completed. After many delays, because of lack of finance and war in the 1860s, the foundation stone for the bridge across the Whanganui was laid on 9 November 1869. The bridge was finally opened on 29 November 1871.

During the 1860s, coaches from Wellington arrived at Wanganui via Foxton, Scott's ferry across the Rangitikei river about one mile inland from the river mouth, Marton and Turakina. By 1866, 'The Cobb and Company Telegraph Line of Coaches' began a twice-weekly service, carrying both passengers and mail, between Wanganui and Turakina. At this date the road was nothing more than a track. By 1868, the Cobb and Co. coaches were operating a reliable daily service between Wanganui and Turakina, and by the end of 1869, the coaches were running twice weekly from Wanganui to Wellington. Soon this service was further extended and a daily service established between the two settlements. In 1871, a coach service was commenced between Wanganui and Hawera, and later this was extended to New Plymouth. By 1875, Whangaehu, Turakina, Marton and Bulls were serviced with a daily coach.[42]

Work on the survey and construction of the railway route from Patea to the Manawatu by way of Wanganui was commenced in 1870. There were several short portions of the line opened near Longburn and Foxton in 1876; the railway bridge at Aramoho was opened in 1877 and in May 1878, the whole of the line was completed between Wanganui and Longburn. However, the line to Wellington remained incomplete until November 1886, so Wanganui had no direct rail link with Wellington until this time.

[42] Saunders, *Introducing Wanganui*, pp 128-129

During the 1860s, despite the uncertainty and disruption of war, Wanganui developed economically to a marked degree. The population reached 2000 and the first steps in local government were taken. The principal commercial buildings were concentrated along Taupo Quay, lower Victoria Avenue, Ridgeway Street and Wilson Street. The presence of large numbers of troops had given an impetus to shipping and trade, and local industry had developed considerably. The town was steadily growing into a distributing centre for the produce of the rich farmlands of the West Coast, and Wanganui was beginning to flourish.

Wanganui continued to expand in the 1870s, and was constituted a borough under the Municipal Corporation Act 1867. By 1875, approximately 300 houses and about 2600 people made up the settlement, which was still largely concentrated about the lower central city area. Apart from the agricultural industries established by this period, there were breweries, soap works, an iron foundry and a rope factory. Sheep and cattle were exported from the port, as were flax and wool.[43] By 1880, Wanganui was an established and growing town. Its growing commercial activity had led to improved communications with its wide spread hinterland, and pressure to develop further those lands lying inland along the Whanganui river.

Conclusion

In 1840 the Whanganui district supported a thriving, largely self-sufficient Maori economy. With the establishment of Wanganui, Pakeha began an increasing participation in this economy, which at least initially expanded opportunities for Maori through increased trade and product diversification. Maori retained substantial control over land and natural resources, and despite tensions, economic development appeared to suit both Pakeha and Maori. However, the realities of an expanding capitalist economy with its tendency to absorb and modify land in pursuit of profitable outcomes, and pressure on the government to support and sustain a social and political environment that ensured a stable and coherent economic expansion in line with settler expectations, meant that some form of conflict was inevitable.

While Pakeha were contained within Wanganui and its immediate environs, there was less likelihood of conflict, but as links were established with other centres from the 1850s and Wanganui was able to expand through increasing non-Maori trade, the initial dependence of Pakeha on Maori declined. The expansion of settlement led to increased building, business, communications, trade and confidence among Pakeha that Wanganui offered the possibility of a long-term viable settlement. Government, both central and provincial, was petitioned for more funding and local control to further facilitate growth. Opportunities driven by needs outside the Whanganui district such as those on the West Coast gold fields meant that initial arable developments, such as wheat, which had served in the first phase of expansion in the 1850s, were increasingly replaced by a turn to pastoralism, in particular cattle and sheep. Maori would have to adjust their economic focus if they were to continue to benefit.

Furthermore, Maori would have to compete with other centres using Wanganui as a distribution centre, and with settlers who wished to obtain land to live on it and make a living from it. The pressure both for land and for its commodification so as to permit easy sale and purchase, which was not confined to the Whanganui district, meant that economic opportunities could not be viewed solely as having economic implications, but involved a wholesale change in the social and political perception of land, and to the assumptions of existing Maori authority structures.

This challenge and how to meet it drove debates and concerns among Maori, and contributed to the wars of the 1860s in the Whanganui inquiry district. Settler demands and expectations meant that the government had to be committed in some form to the economic opening up of the Whanganui inquiry district. The Native Land Court became the vehicle through which land could be processed to facilitate its economic integration. Despite Maori objections both to this specific vehicle and sometimes to the whole process of land individualisation, the economic, social and political imperatives of a settler society meant that the economic configuration of the Whanganui district was to

[43] Saunders, *Introducing Wanganui*, p. 165

take on a new Pakeha hue. The following chapters examine the dramatic effect of this transformation and some of its economic effects on Maori.

Chapter Three - Pakeha Transformation 1880-1930

New Zealand and the World

By the end of the 1870s, New Zealand could no longer access credit as freely as earlier in the decade due to a banking crisis in Britain, and interest payments had to be made on the substantial amounts of money already borrowed.[44] The world economy entered a period of economic slowdown, and prices for agricultural goods in particular declined until the mid 1890s. The 1880s were a more difficult decade for New Zealand but salvation appeared through the technological breakthrough of refrigeration. This enabled a significant expansion of trade, but its full benefit did not impact until the 1890s after further improvements in refrigeration technology and the international improvement in prices. Meat, as well as wool, became an export commodity. Dairy farming also began to grow, since butter and cheese could now be exported. The move away from large sheep runs to smaller farms was helped by the Liberal government of the 1890s with the compulsory acquisition of large holdings, acquisition of Maori land, and the application of a graduated land tax. This was driven by an explicit view of how New Zealand should be. 'The great majority of colonists including farmers, agricultural labourers, small-town dwellers, the union movement, and even most big landowners and wealthy urban businessmen, supported closer settlement because it would create jobs, enhance profits, and bring economic and social gain to everyone.'[45]

Land under cultivation increased 400 percent between 1880 and 1910 to over 16 million acres, and farming became more widespread and diverse and shifted in both products and location as the North Island entered into beef and dairy production. The political parties of New Zealand had to respond to progressively more organised and powerful owner operated farming interests, as well as express the general Pakeha consensus that close farming was desirable. Britain's policy of free trade and increasing population with more

[44] Information is drawn for this very brief overview from Rice (ed.), *The Oxford History of New Zealand*, pp 230-253; Belich, *Making Peoples*, pp 349-450; and King, *The Penguin History of New Zealand*, pp 224-238

[45] Brooking, *Lands for the People?*, p. 81

spending power, New Zealand farming's efficient production in a temperate climate, and government support and regulation of a vigorous farming economy helped to create a prosperous and confident Pakeha community by the turn of the twentieth century. As Easton notes:

> The new political economy was based on intensive pastoral farming. Favourable climate, soils of moderate suitability, advances in technology, the commercial efficiency of the family farm allied to supportive government intervention resulted in the most efficient pastoral farming in the world, while the British market willingly accepted the produce at fair prices. Around the farming clustered industries which supported the farm, processed and transported the produce, and provided the consumables of society.[46]

Significant commercial development also occurred, as the increasing population drove demand such that, '…the greater part of industrial activity was concerned with the satisfaction of domestic needs, not only in clothing, footwear, confectionery, etc, but agricultural implements, vehicles, harness, etc'.[47] By 1914, the Crown had disposed of most of the land available and suitable for settlement, although the government continued to purchase Maori land: 'Between 1910 and 1930, about 2.3 million acres were purchased by the Crown and private buyers through the Maori Land Boards, and a further 1.2 million acres by the Crown through processes not requiring Land Board approval, a total of about 3.5 million acres'.[48] The population became more urbanised and more centred in the North Island. As urbanisation increased, more sophisticated retail offerings emerged presenting a wider range of consumer goods and speciality products, supported by well-organised wholesaling and warehousing industry.

The industrial structure of the country deepened, aided by the increasing commodity prices on the world market after 1895, and continuing urbanisation. New Zealand industry became more concentrated and wider in its product offerings. 'In 1890 there had been 91 different classes of industry as measured by the census; by 1910 there were 125

[46] Easton, *In Stormy Seas*, p. 46
[47] M. Lloyd Pritchard, *An Economic History of New Zealand to 1939*, (Auckland,1970), p. 149
[48] A. Ward, *An Unsettled History*, (Wellington,1999), pp 158-159

classes of industry. […] In 1881 only six industries had been represented in each province – now there were sixteen different kinds of manufacture spread throughout the country, aside from the strong regional clusters in such industries as sawmilling in Wellington, cheese factories in Taranaki, tailoring in Auckland, wool scouring in Canterbury, and hydraulic gold mining in Otago.'[49] By 1914, New Zealand was a net exporter across a diversified range of goods including butter, wool, gold, sheep skins, meat and cheese, while goods such as the telephone, car, telegraph, phonograph, radio and electric engine progressively transformed both the methods of business and the nature of the consumer market.

Between the wars New Zealand experienced major economic fluctuations. The First World War saw a boom, fuelled by a growing demand for New Zealand's primary commodity exports, and a wartime 'commandeer' agreement by which Britain undertook to purchase New Zealand products at agreed prices. The disruption of shipping and a shortage of consumer imports encouraged the expansion of domestic manufacturing. The price instability, which developed towards the end of the First World War, was followed by a sharp recession in 1921-22. Primary commodity prices declined markedly with the ending of wartime commandeers in 1921 and 1922. Britain's efforts to dispose of accumulated stocks of wool, meat, and dairy produce, growing competition from both European and South American producers, and unemployment and falling real incomes in the United Kingdom served to dampen demand.

Initial post-war confidence in New Zealand's economic prosperity, accompanied by easy access to credit, had sustained a boom in imports and retail sales and, especially in rural land values, steep rises fuelled in part by the government's effort to secure sufficient land to provide for those ex-servicemen who wished to take up farms. Rural mortgage debt levels rose rapidly as farms were transferred and re-transferred as speculative investments. Warnings that the prosperity was 'fictitious', and that a serious commercial and financial crisis would follow the ending of the commandeers went largely

[49] I. Hunter, *Age of Enterprise: Rediscovering the New Zealand Entrepreneur, 1880-1910*, (Auckland,2007), pp 71-72

unheeded.[50] Export prices began to fall in May 1920. Within a year post war confidence had largely evaporated, inflated land values sustained by easy credit collapsed, and many of the 22,000 ex-servicemen settled on farms by March 1924 sold their properties at greatly reduced prices or simply abandoned them as loans were called in and advances restricted.

Predictions in 1921 that the economy would recover once Britain had disposed of accumulated stocks seemed to be soundly based as export prices began to recover during 1922. But export prices fell again between 1926 and 1933, farmers' difficulties being compounded by the growth in world primary commodity production and by the efforts of New Zealand's trading partners, notably the United Kingdom, to protect their own primary products. Prices for primary products continued to fluctuate over the 1920s, producing high levels of uncertainty and relatively high unemployment levels. This was a testing time for New Zealand's economic stability and viability.

From 1880 to 1921, Pakeha New Zealand, especially from around 1895, generally enjoyed a long period of economic expansion, improved standard of living, and national confidence. This was to be challenged from 1921 as the economic situation became less favourable, and growth slowed. An even greater challenge presented itself with the Depression. Yet economically, socially, politically and demographically, New Zealand between 1880 and 1930 had taken on an overwhelmingly Pakeha hue. This was a predominantly Pakeha world, from which Maori had been largely marginalised and made economically irrelevant except as a rural proletariat.

Wanganui and Whanganui district

Wanganui owed a great deal of its development in the 1880's to the fact that Taranaki developed its dairying activities more rapidly than any other province in New Zealand. Until the 1890s, the bulk of produce went overland to Wanganui or Wellington. Moreover, the bars of both the Waitara and Patea rivers were often treacherous and uncertain. Therefore, Wanganui had the initial advantage of early development as the

[50] See J.B. Condliffe in *Lyttelton Times*, 9 August 1920

main port of export for Taranaki. The local authorities were thus awakened to the possibilities of harbour development before the great increase in port activities began in 1895.

A brief overview provides some idea of the commercial expansion and dynamism of Wanganui from 1880.[51]

> By 1885 there was much industrial activity. An iron foundry on Taupo Quay employed in busy times one hundred and fifty men. A sash and door factory gave work directly and indirectly to two hundred men. In Nixon Street was a flourmill and near it the bone mills.
>
> In two buildings on Taupo Quay a firm had established a bacon factory capable of converting at one time fifteen hundred pigs into bacon and hams. Hopes were entertained that the industry would grow until it rivalled the large packinghouses of America. In St Hill Street was a hop garden of five acres, with a malt house and facilities for putting the hops in packets. In the town was a lithographing and printing works, to which orders from all parts of New Zealand were sent.[52]

International firms in Wanganui included the Singer Sewing Machine Company, the Mutual Life Association of Australasia, the Phoenix Fire Insurance Company of London, and the South British Fire and Marine Insurance Company. The town was home to seven drapery firms, five bakeries, eighteen carters, twenty storekeepers and merchants, fourteen butchers, five watchmakers, and approximately fifteen boot makers. It also boosted seven tailors. 'Wanganui was also serviced by a range of New Zealand firms and institutions that had nation-wide branch networks by the 1890s. These included Bendix-Hallenstein's two companies, the New Zealand Clothing Company and the Drapery Importing Company (D.I.C.). Wellington merchant firm W.G. Turnball and Co. likewise

[51] Details of this commercial expansion are taken from L.J.B. Chapple and H.C. Veitch, *Wanganui*, (Hawera,1939), chaps 16 and 24; and, I. Hunter, *Age of Enterprise, Rediscovering the New Zealand Entrepreneur 1880-1910*, chap 7

[52] Chapple and Veitch, *Wanganui*, pp 132-133

had branches in Wanganui, as did prosperous boot and shoe maker R. Hannah and Co.'[53] Four of the country's banks, the Colonial Bank of New Zealand, the Bank of New Zealand, the National Bank of New Zealand, and the Bank of New South Wales, also had branches in town. Though this diversity and intensity of enterprise would not survive into the middle of the twentieth century, it demonstrated the vigour of Wanganui's economy at the turn of the century.

By 1893 the population of Wanganui had reached 5100 and it was gaining attention as a resort town. Much of this was due to the efforts of Alexander Hatrick, whose business interests included a warehouse and bond store, flour store, coal yards, and two branch stores of his general merchant business. Billing his service as 'The Wanganui Up-River Steam Packet and Tourist Steamer Line', Hatrick operated three river steamers ferrying tourists and local customers on 'New Zealand's Rhine', having signed a contract with international tourist operator Thomas Cook and Son.[54]

Hatrick had arrived from Australia in 1875. At first, along with his brother-in-law, J.Walker, he set up a chaff cutting and threshing mill business, Walker and Hatrick, as well as a mercantile partnership. He was mayor of Wanganui from 1897 to 1904. During his term as mayor, the opera house was built, the gas works were taken over by the council and the Okehu water works were developed. He was the founder of the Commercial Club and the Beautifying Society. There had been a short lived steamer service up the river in 1865, when the *Moutoa* with a Norwegian captain made trips to Pikiriki. In 1880, the Government decided to undertake the navigation of the river and to place steam-driven vessels in the service.[55] Punts were built and parties organised to remove snags from the bed of the stream. There was some agitation against the scheme and a private company was formed with a steamer called the *Tuhua* placed on the river.

[53] Hunter, *Age of Enterprise*, p. 159
[54] Advertisements for this service appear in G.F. Allen, *Willis's Guide of New Routes for Tourists, Auckland – Wellington via the Hot Springs, Taupö, Volcanoes and Wanganui River*, (Wanganui, 1894)
[55] Chapple and Veitch, *Wanganui*, p. 134

However the company was wound up in 1887, and within three years the *Tuhua* was lost at Karatia about seventy kilometres up the river.[56]

As Young notes, Hatrick and his business, A. Hatrick and Company, seized the opportunities opened up for providing a river boat service: 'Through prudent marketing and the services of Thomas Cook, Hatrick coaxed his expanding riverboat operation into a transport empire of shipping, buses, car sales and accommodation underpinned by lucrative liquor trading, government subsidies and some creative accounting'.[57] Young discusses Hatrick's riverboat operations, the obstacles he overcame and the effect riverboat operations had on the environment. Hatrick is an excellent example of the effect one determined, skilled businessman could have on developments in a region. Like the settlers in the hinterland, he pressured government for funding to build infrastructure, both to open up the interior and to enable his business to expand even further.

Hatrick entered into the river service in 1890, having negotiated a weekly Government subsidised service to Pipiriki. At first, the flat-bottomed paddle steamer *Wairere* was used, which carried 250 passengers. By 1892, there was a regular weekly service from Wanganui to Pipiriki, which had extended to Taumarunui by 1903, with the last leg of the journey undertaken in a large Maori canoe powered by a motor and passengers transferred to river boats to continue their journey south and vice versa. Hatrick also had a pigeon post connecting Taumarunui, Pipiriki and Wanganui. These developments were a great stimulus to the trade of Wanganui.

Furthermore, in 1899, Hatrick acquired Pipiriki house, a one-day trip up the river, for tourist accommodation. It burnt down in 1909, but was rebuilt the same year as one of the most modern tourist hotels in New Zealand. It was surrounded by gardens, had 40 bedrooms, a large dining room and a glassed in winter garden. This was the heyday of the river steamers. At its height there were 12 boats on the river carrying tourist supplies and

[56] D. Young, *Woven By Water: Histories from the Whanganui River*, (Wellington,1998), p. 199. Information about Hatrick and the riverboat operation is drawn from Young, and M.J.G Bates and A.P. Bates, *The Wanganui Story*, (Wanganui, 2nd ed., 1973)
[57] Young, *Woven By Water*, p. 200

mail and bringing wool cargoes from the farms up the river to Wanganui. The formation of a successfully conducted river service made a very great difference to the trade of the town. Although most of the better class of land lay along the coast on each side of the town, there was a large area that can only be tapped by way of the river route. Hatrick's monopoly and prices led to complaints from settlers, and an attempt in 1900 to set up a rival company which Hatrick drove into liquidation by 1902. Young details this story and other aspects of Hatrick's entrepreneurial skill, as he contributed to the trade of Wanganui, his own wealth, and the attempt to overcome the environmental impediments to commercial development in the Whanganui district.

Despite initial optimism about tourism possibilities, the costs in maintaining a regular service, and in providing for suitable tourist accommodation along the river, proved increasingly difficult to overcome throughout the century, and with the burning down of Pipiriki house in 1959, tourism suffered a major setback. Like the farming development of the Whanganui interior, tourism required major and consistent investment because of the natural challenges of the area if a commercial return was to be made. The difficulty has always been to get the financial support of the biggest potential investor throughout the twentieth century, that is the Government. Hatrick's ventures showed that there was some scope for private investment in conjunction with government investment or subsidy to work together, but this worked best in a general regional economic climate of growth. Should that growth be absent or slow, the chances of attracting investment would decrease.

Overall, the increasing prosperity and diversity of function of Wanganui were due essentially to its capacity to serve as an entrepôt town set up and maintained by a rapidly developing countryside. The basic necessities of this development were access to land with security of tenure, an assured market, and energy and initiative to overcome specific local obstacles, whether environmental or Maori land based, in order to attract continued investment and infrastructure development.

Administrative authority

Politically, the growth of county councils and road boards entrenched Pakeha authority, creating mechanisms to determine where and how infrastructure was to be built. Originally in 1876, Wanganui county encompassed a wide hinterland, but in 1884 and 1902, Waitotara and Waimarino broke away to form separate counties. These developments occurred quite independently of Whanganui Maori, yet the decisions these bodies made were instrumental in developing the economy of Whanganui district. At this local level, decision making was a completely Pakeha concern. Parallel to this development was the setting up of road boards, which increasingly came under the control of local councils. If roads were required, the Road Board Act of 1908 gave a county the power to set up a road board if two thirds of ratepayers wanted it. This road board had elected members and could set rates for the maintenance of local roads and bridges.[58]

Councillors were elected on a franchise limited to property owners, and the value of one's property increased the number of votes that could be cast. 'By 1925 a ratepayer received one vote if his property was valued under £1000, two votes between £1000 and £2000 and three votes over £3000.'[59] After raising money from rates, licences and fines, councils also received a government subsidy of approximately £3000 a year, set to £3500 in 1908. Counties were also entitled to one third of profits derived from the sale of Crown lands, which gave them a vested interest in Crown land purchase and sale. Voelkerling and Stewart note that this particular source of revenue dried up after 1905 for Wanganui County, but that it had yielded a considerable income beforehand.[60]

Voelkerling and Stewart outlined the sometimes fractious history of Wanganui county at the turn of the twentieth century and onward, noting arguments about rates and the bickering between Wanganui County and neighbouring counties about who should take responsibility for certain roads and bridges. Disputes occurred over who should pay for the rebuilding of a bridge over the Whangaehu bridge in 1897, between Wanganui and

[58] Information concerning the operation of county councils is drawn from R.H. Voelkerling and K.L. Stewart, *From Sand to Papa: a history of Wanganui County*, Wanganui, 1986, pp 112-113
[59] Voelkerling and Stewart, *From Sand to Papa*, p. 113

Rangitikei counties, that dragged on for years. Within Wanganui County there was a protracted dispute between the council and the Mangawhero Road Board, which really only came to an end when the Mangawhero Board was abolished in 1917. Voelkerling and Stewart suggest that the major reason for this dispute was that the Mangawhero Board represented people who farmed the rugged hill country through which the Parapara road passes today, and who felt that their particular interests in this difficult farming area were not being addressed.[61] Debates about money, how to use it, where to use it, what not to pay for, were an integral part of the life of this county and by extension likely to have been typical of the other counties in the Whanganui district inquiry. The point is that these were essentially Pakeha discussions, and demonstrate the extent to which practical authority in the district had passed out of Maori hands.

Voelkerling and Stewart also underline how strictly this council at least enforced its by-laws, in particular those pertaining to noxious weeds, which caused some resentment. A particular instance is cited concerning a Maori farmer from Parapara who did not deliver a written stock return. This was another requirement strictly enforced, but it was also claimed that the farmer, Eruni Te Wiki, had also tried to influence other Maori farmers not to declare information about their stock. A stiff fine of £7 6s 0d was imposed with £22 17s 6d in costs.[62]

At a national level, the Liberal government introduced a range of new regulatory laws, such as, for example the Noxious Weed Act of 1900 and the Public Health Act 1902. Local bodies now had increased powers to deal with unsanitary conditions and appointed inspectors to enforce regulations. There were also wide-ranging, targetted measures aimed at addressing Maori health issues for example after 1900, including the Maori Councils Act 1900, the introduction of sanitary inspectors, the Tohunga Suppression Act and so on,[63] with a high level of input from individuals such as Maui Pomare and

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[60] Voelkerling and Stewart, *From Sand to Papa*, p. 113
[61] Voelkerling and Stewart, *From Sand to Papa*, p. 116
[62] Voelkerling and Stewart, *From Sand to Papa*, p. 122
[63] For coverage of these measures, including problems with adequate resourcing and reluctance to grant sufficient authority to Maori bodies established under these measures to address Maori health and welfare,

Apirama Ngata. However, national directives and regulations were enacted at local level through empowered Pakeha officials and institutions. Not only did this limit the effectiveness of any Maori attempt to argue for particular economic benefits within a non-Maori structure comprised of non-Maori individuals, it meant that these local bodies had no inside, collective Maori voice to offer a Maori perspective on the most effective way of addressing particular issues concerning, for example, health or weeds.

Hinterland developments.

Environmental Transformations

The first operation in the transformation of rain forest to grassland was the clearing of the scrub and lower growth. The trees up to 75 centimetres in diameter were then felled, while the larger trees were either felled by a system of drives or left upstanding in the forest. The resultant tangle of vegetation was burnt off in late summer during February and March.[64] Between 1880 and 1910 the people of Wanganui came to regard as commonplace the dense clouds of smoke that rolled down the valleys of the Waitotara, Whanganui, Whangaehu and Turakina valleys.[65] The most spectacular fire occurred in March 1918 following a long period of dry weather. Much of the hill country had by this time been worked over for timber, but in addition to the milling waste, the ground was littered with stumps and logs from past bush clearing operations and there were still large areas of rain forest standing. Accelerated by high winds from the northeast, the flames advanced in a 30-kilometre front, which threatened the townships of Ohakune and Raetihi, and eventually reached the Waitotara valley before the wind dropped and rain fell. This was the last great bush fire in the North Island and generally marks the end of this era of pioneering enterprise in New Zealand.[66]

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see D. Dow, *Maori Health and Government Policy 1840-1940*, (Wellington,1999), and in particular R. Lange, *May the People Live: A History of Maori Health Development 1900-1920*, (Auckland,1999)

[64] For details of the bush-burn technique, see P.R. Stephens, 'Farming fifty years ago', *N.Z. Journal of Agriculture*, 1960, Vol. 100, p. 52. Also Levy, *Grasslands of New Zealand*, p. 200

[65] *Wanganui Chronicle*: 14 April 1962

[66] G.C. Peterson, 'Pioneering in the North Island bush', in R.F. Watters (ed.), *Land and Society in New Zealand*, (Wellington, 1965), pp 77-79

In the wetter rain forest of the Whanganui hill country, the importance of the first burn was not fully recognised by the settlers. In view of the strong natural tendency for the land to revert to scrub, it was essential that the first burn should not only be hot enough to destroy the forest completely, but also be capable of generating sufficient ground heat to destroy seeds and fern spores. In general however, a really hot 'white ash' burn was rarely secured.[67] The result was that secondary growth of such light-demanding plants as hard fern, piripiri, and manuka appeared within six to eight weeks of the burn and competed with the newly sown grasses of cocksfoot and ryegrass. The settler was then forced to wait until the following season in order to burn off the secondary growth, a practice which usually developed into an annual operation with consequent implications for soil erosion.

Had the land been stocked with cattle in association with sheep then much of the secondary growth could have been controlled, but during the period 1880-1910, sheep were favoured because of the higher returns which they brought. Initially the Lincoln was grazed on the newly sown pasture since it produced good wool and was suited to the high fertility demanding grasses which were sown. However, as the fertility effects of the ash began to decline due to more rapid leaching of soil nutrients and the loss of an even supply of soil moisture, the cocksfoot and ryegrass pastures began to fade. As bare patches appeared, they were quickly colonised by secondary growth associations. Sheep grazing and the absence of adequate subdivision accelerated this tendency so that, even with a successful burn, growth problems became significant within ten years of the initial burn. Thus the establishment of a continuous grass sward was a problem throughout the hill country. Where land could be ploughed and topdressed, then the grass cover could be maintained and the carrying capacity increased. On the other hand, the declining fertility of the hill country and the consequent increase in secondary growth meant a lower carrying capacity, the increase of burning as a control measure and, as a consequence, an increase in weed infestation and sheet and slip erosion. Under such conditions, the land reverted slowly to weeds, in spite of the strong natural tendency for regeneration. In

[67] Levy, *Grasslands of New Zealand*, p. 40

1938, N. Taylor noted the slow growth of vegetation over much of the area covered by the Raetihi fire.[68]

Even before the end of the bush felling period, reversion had forced settlers to abandon their sections. By 1925, the problem had become so serious on the Crown lands of the west coast hill country that the government appointed a special committee to investigate deterioration of the land.[69] In passing, naturally the rivers of the Whanganui district could not escape from the consequences of land deterioration. Young notes two effects following from indiscriminate tree felling: 'The river began to swell with unaccustomed flood, bringing down more work for the snagging teams. And, with a reduction in the gentle sponge action by networks of forest root systems, when it was not in flood the Whanganui more often ran below its previous mean flows – especially notable in summer.'[70] For the Pakeha Whanganui district economy, keeping communications and transport open on the river became more difficult, but no less urgent. This brought the requirements of the Pakeha economy, now further driven by environmental damage, into a directly competing course with the Whanganui Maori river economy.[71]

Returning to the land, the causes of the deterioration were soon made known to the 1925 Special Committee. The lack of a hot burn, the lack of cattle, the sowing of unsuitable grasses, overgrazing and inadequate spelling, soil depletion, the small size of many holdings, the lack of access, inadequate subdivision and the lack of capital through inflated land values and rents, were listed as major contributing factors. It is very likely that where Maori may have sought to emulate the Pakeha economy, the same obstacles would have applied, making Maori economic use of the land even more challenging aside from particular difficulties Maori economic development faced in the Whanganui district. It was found that 3.7 percent of the holdings or 4.9 percent of the total area of Crown land

[68] N.H. Taylor, 'Land deterioration in the heavier rainfall districts of New Zealand', *N.Z. Journal of Science and Technology*, 1938, Vol. 19, p. 673
[69] *Deterioration of Crown Lands. Report of the Special Committee appointed to Investigate the Deterioration of Crown Lands in the Whangamomona, Ohura, Waitomo, Otorohanga, Kawhia, Raglan, Kaitieke, Waitotara, Waimarino, and other Counties*. *AJHR*, C15, 1925
[70] Young, *Woven By Water*, p. 209
[71] Cf Young, *Woven By Water*, chap 10

had already been abandoned in the hill country areas.[72] Although the full extent of the deterioration was not detailed, it can be assumed from these figures that considerable areas were approaching the stage where abandonment was imminent. Undoubtedly the depression which followed in the 1930s precipitated further movement off the land.

The recommendations of the committee were important for several reasons. It was realised that the area possessed unique problems due to the ecological conditions prevailing in the hill country. Consequently the use of cattle and lower fertility grasses such as brown top, danthonia, crested dogstail, and lotus major were recommended. The committee also recommended that the government should condition the economic environment of the hill farmer in order to stimulate renewed development. Government assistance through loans for subdivision, topdressing, and increased roading were seen as essential to the upgrading of the hill country.

Accordingly legislation was passed to support these recommendations. *The Deteriorated Lands Act 1925* enabled the holders of deteriorated land to apply to the government for loans for fencing and topdressing and for a revaluation of their land for rating and rent purposes. However, it appears that serious attempts to combat the damage done to the productive environment only began from the 1950s as is discussed later in this report.

Regional expansion

Wanganui was never an important timber producing or exporting centre, since the hill forests carried few timber trees and these would have been difficult to log, so most were merely felled and burnt. In the Waimarino district in the early years of settlement, little of the much better quality forest there could be used. The local demand was too small and the outlet through Pipiriki and the Whanganui river too difficult and costly for such a bulky commodity. Sawmilling remained a small local industry until completion of the Main Trunk Line in 1908. This opened up a wide choice of markets to the north and south, and construction of the Raetihi branch line in 1917 ushered in the boom period of the industry, which was at its height just after World War One.

[72] *Deterioration of Crown Lands*, p. 2

Refrigeration brought with it the development of Wanganui's hitherto undeveloped backcountry. With the clearing of forests, the expectation was that the land was now made economic. Shipping of frozen meat began from Wanganui in 1891. Dairy production was slow to develop in the Whanganui area, (although as noted, Wanganui was able to profit from dairy farming exports through Wanganui port coming from Taranaki), because suitable land was already taken up by long established sheep farms. It was not until after the turn of the century that dairy farming was to have a significant effect on port trade.

A great expansion of the dairying industry now took place, settlers taking up land on the low plateau where smallholdings could be maintained at a profit, on permanent grassland, with little investment. Small towns could expand such as Okoia and Fordell as they began to service growing communities. Now that a market for meat and dairy produce was assured, the bush-burn technique was obviously the more economically efficient way to deal with less profitable forests.

This expansion provided the impetus for the establishment of towns like Raetihi and Ohakune. Between 1892 and 1895, four small-farm associations settled over 20,000 acres in the immediate vicinity of Raetihi. The aim of these associations was to enable people with limited capital to settle the land. 'Such associations were expected to provide approximately twenty five percent of the capital for the purchase of the land while the Government would supply the remaining finance.'[73] Skilled farmers working together, with government assistance, ensured the transformation of this environment into small, owner-operated farms. Very rapidly, to service this expansion, Raetihi township expanded, with a store, billiard saloon, a butchery, a saddlery, and a drapery, as well as a blacksmith, a brickmaker and a boarding house, and residential housing, all by the end of 1894.[74] By 1902, Raetihi was the commercial centre of the Waimarino, by which time the district had sufficient confidence to form its own county council.

[73] Voelkerling and Stewart, *From Sand to Papa*, p. 141
[74] Voelkerling and Stewart, *From Sand to Papa*, p. 141

This in microcosm, was what Whanganui Maori faced when trying to compete in this world, namely a sophisticated, integrated economic system of environmental transformation for capital gain, which in turn financed the services on which it depended, creating a social network of towns, transport, and community that rapidly and comprehensively transformed the world of Whanganui Maori. It left no alternative to Whanganui Maori but in some shape or form, and certainly economically, to fit in somehow, somewhere.

Opportunities created by this expansion could then attract further venture capital. For example, in 1897 Hatrick and D.Cummins put a proposal to sixty farmers in Raetihi to build a dairy factory in Raetihi. Hatrick would take the first five years milk of 400 cows after which the suppliers could form a co-operative and buy the factory. By 1901, the factory was built and formed into the Raetihi Co-operative Dairy Company in 1903.[75] Providing reliable systems of communication became very important to ensure the economic viability of these communities, so the particular environmental challenges of the inner Whanganui inquiry district were quickly a cause for concern, as well as an opportunity for entrepreneurs like Hatrick. As the Raetihi *Yeoman* correspondent noted in 1894: 'Our township seems to be in a very nasty position, as in the winter the roads are in such a terrible condition that it is almost an impossibility to get provisions up, and in the summer the roads are in a splendid condition and coaches, drays, etc have every chance of travelling, but then there is not enough water in the river to enable the steamer to get up loaded so that, whatever the weather, we are in a fix.'[76] The lack of good quality roads and the need to provide them has been almost a continuous complaint from the end of the nineteenth century until today in the upper Whanganui inquiry district.

The need to construct the Parapara road became a major concern, and Raetihi residents opposed expanding the river service if that would delay the construction of a decent connecting road to Wanganui. Concerns that the Main Trunk Railway would divert trade

[75] Voelkerling and Stewart, *From Sand to Papa*, p. 142
[76] *The Yeoman*, 27 October 1894

from Wanganui port lead to a delegation travelling to Wellington in 1903 to petition for a road. The government provided some limited assistance, which led briefly for a call for a rail link between Raetihi and Wanganui, but this came to nothing as it was judged to be economically not viable. In 1913 the MP for Wanganui W. A. Veitch was claiming that in terms of rail and road communications, the Wanganui district was 'worse off than any other part of New Zealand'.[77]

Efforts to construct the Parapara road continued, and in relation to this, the obstacles facing Maori in trying to engage economically are brought out in an excerpt from Voelkerling and Stewart. When Raetihi residents addressed their concerns to their local MP for a road between Raetihi and Kakatahi, the MP A.D. Willis claimed:

> …it would only serve to increase the value of the vast areas of Maori land, principally the Ohotu Block, through which the road would have to run. Such a road would increase the cost of future land purchases or leases. [The authors then proceed to note] In 1897 the Maori owners of the Ohotu Block applied to the Native Land Court to settle ownership of some 90,000 acres and after 1900 most of the Maori owners arranged to have their lands leased to European settlers […]

Construction of the Parapara Road then advanced, but it was not until 1917 that an unmetalled road was finally opened between Kakatahi and Raetihi.[78]

This is interesting at a number of levels. It shows the difficulty faced by Pakeha in certain parts of Whanganui district in getting decent access to markets. The capital required to start up business was obviously much less than what was required to establish important infrastructure. For infrastructure, Pakeha settlers needed assistance, but the practical difficulties of constructing a road through such difficult country, involving high cost and not a great rate of return, meant that the Government was reluctant to supply finance even when directly petitioned. Maori land was initially a further problem. If the aim was to make a decent return for Pakeha settlers and commercial interests, then there was no incentive to pay good money to Maori, or be forced to lease land at a higher rate. The

[77] NZPD, 1913, vol. 164, p. 581
[78] Voelkerling and Stewart, *From Sand to Papa*, pp 143-144

assumption here was that Maori were simply a cost, an obstacle rather than potentially part of the regional economy. The MP did not represent Maori interests, but very ably pointed out to settlers the difficulties faced by the Government, and therefore the settlers, if construction projects went through Maori land, namely that there would be disadvantageous costs, precluding commencement of work.

When the Ohotu block was finally opened up for leasing, only 5000 acres of a possible 60,000 acres was taken up, with poor roading a major impediment.[79] Severe criticism was made of the Government in *The Yeoman* in 1905 concerning the state of roads and the costs to settlers:

> One would think that a Government whose policy it is to place people on the land would make it worth their while to stay. The value of easy conditions and low rents is largely discounted if the annual profits of a settler's operations are swallowed up in getting his produce to market. There are two ways of opening up the back country: one is to make the sections approachable by good roading before throwing them open; the other way is to induce people to take up land, and then bother no more about them except to collect their rents and to see that they fulfil the conditions of their occupation, leaving the question of roads to be settled at a later period. To follow the first plan would involve considerable expense and perhaps cause land to be settled more slowly, but it would undoubtedly result in a far sounder state of affairs than now exists in many districts. The second plan possibly gives better numerical records, but it does not increase […] the prosperity and consequent comfort of the settlers. Lack of decent roads seriously impairs the success of the Government's land settlement policy, for success depends not on the number of people taking up sections, but on the result that follows.[80]

Settlers were fortunate to have a newspaper that expressed their interests so eloquently. This excerpt also brings out the conflict between government and the settlers in this region, not over taking up settlement, but over what obligations the government had to

[79] E.G. McDowell, 'The History of the Development of Raetihi and the Surrounding District', (MA, Canterbury University,1936), p. 46
[80] *The Yeoman*, February 2, 1905

facilitate that settlement by the construction of urgently needed infrastructure. The government made promises to settlers, for example Seddon had promised in 1903 that the Parapara road would be continued,[81]but the reality of cost in a difficult environment meant that funds were not available in sufficient amounts at the time settlers required. This brought about a continuous demand from settlers over the twentieth century for better infrastructure, a call that government never responded to satisfactorily from the settlers' point of view.

The settlers themselves were to experience directly some of the problems faced with Maori land when it came to raising finance. As Walzl outlines,[82] settlers petitioned parliament from 1911 to obtain freehold tenure, which, they argued was the only way they could obtain the necessary development finance and not be put at a loss. These settlers were determined to avoid one particular option, which entailed paying for improvements that the Whanganui Maori owners would obtain at the end of the lease. Also milling timber was destroyed as there was no financial incentive for the Pakeha lessee to use or preserve it (and no penalty for not doing so) since the leases provided for half royalty on the timber being paid to the Maori owners. Struggles to develop this land took place within the context of the competing interests of Maori owners and Pakeha lessees, which hindered a co-ordinated approach to the building up of infrastructure.

As is clear, settlers were closely associated with the creation of communication and transport infrastructure in the upper Whanganui district area. 'The Government would let a section of road on contract to the settlers, who would then proceed to build their own road under the auspices of an engineer. The settlers provided their own shovels and were paid an average wage of 6s 9d a day, although the amount varied because of the weather and other factors. In the initial phase of settlement, these wages were the settlers' only supply of ready cash'.[83] This sort of activity knitted together Pakeha communities, and gave a strong sense of ownership and pride in the completion of vital works (and much debate and argument about how it was to be done and who paid). For example, in May

[81] *The Wanganui Herald*, November 27, 1903
[82] Walzl, 'Whanganui Land 1900-1970', pp 262-284
[83] Voelkerling and Stewart, *From Sand to Papa*, p. 144

1909, the settlers of Orautoha, Pukekaha and Ruatiti formed an association which had as its main object the urging of the Government and local authorities to give more attention to the development of these districts.[84] In 1910, the Waimarino Agricultural, Pastoral, Horticultural and Industrial Association was formed, and the first show was held on 24 February 1910. When the Prime Minister Joseph Ward visited Raetihi in 1911, he was meet by a deputation urging the necessity for linking Raetihi with the Main Trunk Line. Work to this effect began the following year.[85]

This was the vigorous Pakeha settler culture in action, in conjunction with the government, and sometimes at odds and often in negotiation with it, over how to build a viable economic environment. There was no such equivalent economic vitality and supporting local associative structures for Whanganui Maori, nor did Whanganui Maori participate in this process as significant interested parties able to effect major beneficial economic initiatives specifically for Maori. This is not to suggest that Whanganui Maori had no engagement at all with this burgeoning economy, covered in the next chapter, but they were forced onto the defensive as Pakeha settlers sought to break in the twin obstacles of environment and land including Whanganui Maori land.

To return to the Parapara road story, county councils fought over different approaches to developing this road throughout the 1920s, and it was not until 1932 that a reasonably stable road was built. The road has been a source of challenge, due to the challenging environment, ever since, and local frustrations were still being expressed in 1970 through the voice of the local MP, William Tolhurst, in parliament: 'Our only access, the Parapara road, is more important to Wanganui than any other road in or around the city. Logically the farmer would prefer – distance and communitywise – to use the city, but twenty to thirty miles of thirty to forty miles per hour highway is just not acceptable on today's standards. Bounded by the sea and with a limited farming belt the future of the city must lie in developing the community to the North.'[86] There were some obstacles

[84] McDowell, 'The history of the development of Raetihi', p. 51
[85] McDowell, 'The history of the development of Raetihi', p. 53. Many other examples of settler initiatives to overcome the various development obstacles they faced are provided in this work especially pp 43-66.
[86] *Whanganui Herald*, 8 April 1970

that even Pakeha local determination found difficult to overcome, but the initial vigorous expansive phase masked some of the real challenges for economic viability on Pakeha lines that this district posed.

These were becoming evident by the 1920s, in particular as New Zealand entered a period of economic instability and slow growth. Farming costs increased and returns on farming reduced. Despite government assistance in establishing a returned servicemen's settlement at Mangapurua, the demands of the local environment combined with the more challenging economic climate in which to engage in farming meant that the fifty farms established were abandoned by 1942.[87] As local challenges mounted to slow economic growth, this district became more exposed to downturns in the New Zealand economy.

The results of the early rapid expansion of the district had fed back into Wanganui itself however, which began to experience something of a boom. That the primary function of the city was to supply the material needs of the rural population was indicated by the rapid establishment of new retail businesses as the spending power of the rural community increased. The functions of Wanganui as a port were bound to grow on a large scale as the produce for export increased in quantity.

But the port began to prove inadequate to meet the increased demands made upon it. Even in this period of prosperity, the first signs can be seen of the relative decrease in the site value of Wanganui as a regional outlet. The development of the port of New Plymouth, especially from 1900 onwards, meant that Wanganui could no longer offer superior site advantages to exporters in Taranaki where the expansion of the dairy industry was much more spectacular than in the Whanganui district itself. The inference is that the coastwise extent of the regional base was curtailed and the inherently less fertile backcountry assumed a relatively more important role than the more fertile dairy land of the coastal plateau. Furthermore, especially after 1900, harbour development could not keep pace with the increasing size of ships although, before 1920, considerable

[87] *The Whanganui River Report*, (Waitangi Tribunal,1999), p. 97; see also A.P. Bates, *The Bridge to Nowhere; the ill fated Mangapurua settlement*, (Wanganui, 5th ed., 1986)

improvements were affected by dredging. In spite of the difficulties, export figures mounted, the chief commodities handled being wool, meat and cheese.

On the industrial side, Wanganui was stimulated by the organisation of primary production into certain channels. Meat freezing works, woollen mills and a fertiliser industry, Kempthorne Prosser's Chemical Works, were established. 'In the first two years of its operation [after 1891] the freezing works processed on average 500 carcasses a day. Over the next twenty-five years the daily killing rate increased to 3500 sheep. […] The large amount of wages paid to workers filtered throughout the town.'[88] As technology changed, certain other ventures become less productive and had to go into liquidation, for example, the Whanganui Meat Preserving Company in 1892. On the other hand, new ventures were stimulated by the growing markets, such as the Wanganui Fruit Evaporating Company, which used imported engines to dry various fruits including apples, quinces and rhubarb.[89] Machine made fencing went into production in 1888, the use of electricity spread from the 1920s, and mechanised transport and farm machinery changed the face of farming further. In 1920, the annual wool sale, attracting world buyers, was instituted and the wool of a very wide area came into Wanganui.

The growth of the primary functions of the city meant a corresponding increase in the secondary and tertiary functions. Wanganui now supported a growing residential population with distinct urban interests, manufacturing light goods and providing city luxuries and entertainment and similar accompaniments of urban life. Indicative of the development of urban functions was the provision of a tramway system, began in 1908. It was accompanied by the improvement and extension of roads and the construction of the Dublin Street bridge.

In 1924, Wanganui became a city when the amalgamation of the independent town districts was completed by the incorporation of Gonville and Castlecliff. Wanganui's population rose from 7, 329 in 1900 to 23, 745 in 1925,[90] further evidence of the

[88] Voelkerling and Stewart, *From Sand to Papa*, p. 199
[89] Information derived from Voelkerling and Stewart, *From Sand to Papa*, p. 199
[90] Saunders, *Introducing Wanganui*, pp 167-168

confidence and vigour of this local Pakeha economy. Before exploring more the reasons and implications of factors that were to seriously challenge the initial optimism of Pakeha in the economic future of Whanganui district, the contrasting fortunes for Maori economic development to 1930 require reviewing. A final word is taken from a book published in 1920 by the Wanganui Borough Council, which conveys the Pakeha spirit of the time (and which Marx would have appreciated) that this chapter has attempted to summarise:

> Sixty years ago, Wanganui was struggling out of the cocoon of native ignorance. Its hills and valleys were the home of the primitive Maori and the Avenue and other busy streets of to-day were overgrown by bush and trees. It was a great, undeveloped territory. Now the town is one of the largest in New Zealand, and its population is nearly 23,000. It exports frozen mutton, cheese and butter to the great markets of the world. The eternal throb of industry and the smoke and concrete of the modern city mark the place which was a barren waste some sixty years ago.
>
> It was an achievement which stands as a tribute to the early pioneers and their indominatable (sic) British fortitude, and to the inherent industry of the generation today.[91]

[91] H.H. Bolitho, *Wanganui: The river town of New Zealand*, (Wanganui, 1920), p. 71

Chapter Four – Maori Marginalisation 1880-1930

General Aspects of Whanganui Maori Economic Transformation

Turning to the situation for Whanganui Maori between 1880 and 1930, what happened can only be seen as a political, social, economic and cultural revolution. Needless to say, this report cannot focus on this phenomenon overall. A wide range of reports exist for the Whanganui casebook which explore the nature of this revolution and its effects on Whanganui Maori. This chapter draws out some of the economic aspects of this transformation, relying heavily on reports by Rose, Stevens, Marr, and Walzl. The dramatic nature of the transformation of Whanganui Maori is further highlighted when compared to the nature and effects of that transformation for Pakeha, covered in the preceding chapter.

A vital point needs keeping in mind: before 1880 it would have been impossible to have written an economic history of the Whanganui district in which Maori did not feature prominently whereas, for the period after 1880, Maori become far less important, indeed virtually irrelevant in understanding the economic issues and direction of the Whanganui district. Because Whanganui Maori became economically marginalised, this affects their relationship with the Government. From being a significant and powerful factor in the district economy, Whanganui Maori become peripheral to an economic system that, while allowing Whanganui Maori a place within it, was increasingly driven by non-Maori concerns whatever the impact of those concerns on Whanganui Maori. Whatever concerns the Government might have had regarding the effects of economic transformation on Whanganui Maori between 1880 and 1930, the ability of Whanganui Maori themselves to have input into decisions made, and influence outcomes in their favour, had been substantially reduced. The simple point was that Whanganui Maori moved from a position of some economic significance to one of marginality, in cruder terms from being ‘players’ to ‘problems’. By the 1930s when dealing with Whanganui Maori, the Government responded, where it did respond, to a very different people economically, within a very different economic context, to that of the 1880s.

As noted, while many reports track the details of Whanganui Maori marginalisation over this period, the overall effect of participation in the Native Land Court process in particular, whether willing or not, was not one that served to advance the economic security and development of Whanganui Maori. And this was obvious at the time, especially as a result of the findings of the Rees-Carroll Report of 1891.[92] This report arose out of a commission of inquiry appointed to investigate Maori land laws. As Vincent O'Malley notes in his discussion of this commission and its report,[93] the substantial problems clearly identified, arising from Native Land legislation, led the Commissioners to advocate a return to tribal or corporate dealings in land. Rees and Carroll noted that:

> The unanimity of the Natives was not merely negative, and condemnatory of the past and present – it was also displayed in their wishes for the future. Everywhere they gave substantially the same evidence as to the desire of the tribes regarding the future management of their land. Titles they believe can be found and determined, boundaries can be settled, and lists of owners prepared, by the Maoris themselves, leaving only a few disputed cases to be determined by the Court.[94]

Over and above any destabilising effects that a comprehensive integration into a capitalist economy would have on any people, the Native Land Court legislation served to proliferate individual land title and decimate authority structures in a fundamentally uneconomic manner for Whanganui Maori.

The following excerpt from the time emphasised and reiterated yet again the substantially negative effects of Native Land Court legislation that the Rees-Carroll report had drawn attention to. Whether what happened for Whanganui Maori could have been substantially different is another question, but what was in fact happening was clearly identifiable as problematic. The language used in this excerpt is also noteworthy for its tone of impassioned, repetitive condemnation, even if one were to consider some of it hyperbole.

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[92] Rees-Carroll Commission Report, *AJHR*, 1891, Session II, G-1
[93] V. O'Malley, 'Agents of Autonomy', (CFRT,1997), pp 153-157
[94] Rees-Carroll Report, p. xix

The tendency in the Act to individualise native tenure was too strong to admit of any prudential check. The desire to purchase native estates overruled all other considerations. The alienation of native land under this law took its very worst form and its most disastrous tendency. It was obtained from a helpless people. The crowds of owners in a memorial of ownership were like a flock of sheep without a shepherd, a watch-dog, or a leader. Mostly ignorant barbarians, they became suddenly possessed of a title to land which was a marketable commodity. The right to occupy and cultivate possessed by their fathers became in their hands an estate which could be sold. The strength which lies in union was taken from them. The authority of their natural leaders was destroyed. They were surrounded by temptations. Eager for money wherewith to buy food, clothes, and rum, they welcomed the paid agents, who plied them always with cash, and often with spirits. Such alienations were generally against the public interest so far as regards settlement of the people upon the land. In most of the leases and purchases effected the land was obtained in large areas by capitalists. The possession of wealth, or that credit which obtained it from financial institutions, was absolutely necessary to provide for native agents, interpreters, and lawyers, as well as to distribute money broadcast among the native proprietary. Not only was this contrary to public policy, it was often done in defiance of the law.

Of all the purchase money paid for the millions of acres sold by the Maoris not one sixpence is left. Their remaining lands are rapidly passing away. A few more years of the Native Land Court under the present system, and a few amended laws for free trade in native lands, and the Maoris will be a landless people.

But it was not only in the alienation of their land that the Maoris suffered. In its occupation also they found themselves in a galling and anomalous position. As every single person in a list of owners comprising perhaps over a hundred names had as much right to occupy as anyone else, personal occupation for improvement or tillage was encompassed with uncertainty. If a man sowed a crop, others might

> allege an equal right to the produce. If a few fenced in a paddock or small run for sheep or cattle, their co-owners were sure to turn their stock or horses into the pasture. The apprehension of results which paralyses industry cast its shadow over the whole Maori people. In the old days the influence of the chiefs and the common customs of the tribe afforded a sufficient guarantee to the thrifty and provident; but when our law enforced upon them a new state of things, then the lazy, the careless, and prodigal not only wasted their own substance, but fed upon the labours of their more industrious kinsmen.
>
> The pernicious consequences of native land legislation have not been confined to the natives, nor to the Europeans more immediately concerned in dealing with them for land. The disputes then arising have compelled the attention of the public at large; they have filled the courts of the colony with litigation, they have flooded Parliament with petitions, given rise to continual debates of very great bitterness, engrossed the time of committees, and, while entailing very heavy annual expenses upon the colony, have invariably produced an uneasy public feeling.[95]

The key factors identified by the Stout-Ngata Commission of 1907 were firstly loss of land. The issue with land lost by Whanganui Maori over time concerns not so much the quantity, but the quality. Quite simply the best productive lands, generally nearer to the coast, were those first sought after and largely obtained by Pakeha.[96] In a capitalist economy such land loss might in principle be mitigated if other sources of revenue and investment were at hand to compensate for the economic loss of opportunity. The effect of land loss on the scale that it occurred was not however a purely economic affair. For Whanganui Maori, there was a major transition happening, moving from a non-capitalist economy, to an economy beginning to engage with capitalism and exploring within itself some of the challenges and consequences of this engagement, to finally a more explicit

[95] Excerpt from *1891 Rees-Carroll Commission report,* and cited in the *Stout-Ngata Commission 1907-1909,* quoted in J.B. Condliffe, 'New Zealand in the Making' (Second revised edition, London 1959), pp 78-79

[96] The quantity of Maori land lost and retained over time, as well as a map indicating the quality of the land remaining in Maori ownership, is covered in Mitchell and Innes, 'Whanganui and National Park Alienation Study'.

Pakeha-controlled process of economic engagement. Unlike the period from the 1840s through to the 1870s, this final transition obliged a complete transformation of Maori societal and economic structures by non-Maori processes. In that transition, Whanganui Maori only had one major commodifiable asset, namely land. To lose land especially productive land, the primary asset of Whanganui Maori, on a significant scale, would almost certainly reduce their economic bargaining power in the district. Only astute reinvestment of moneys obtained from sales or leasing, or development within another area of the economy, could help to maintain the strategic economic position of Whanganui Maori as a significant district economic component. Otherwise, the choice was to sell their labour power, and the return on this depended on need in the economy and the skills offered.

Loss of good productive land, therefore, was a crucial element, but by itself was not necessarily detrimental in the long term to the economic chances of Whanganui Maori. When combined with the social and cultural effects, as identified in the excerpt such as the undermining of tribal leadership structures, its effects were magnified. To focus purely on the quantity and quality of land without taking into account the significance of land for a people in a pre-capitalist economy, or the importance of retaining some institutional control in a period of capitalist transition, is simply to apply categories incorrectly. Even if the land remaining in strictly capitalist economic terms had been generous in both quality and quantity, Whanganui Maori still operated with significant disadvantages in relation to Pakeha because Whanganui Maori now faced a deeply competitive Pakeha capitalist world as effectively dis-empowered newcomers.

But there were further disadvantages as identified by the Commission. The easy availability of money to individuals unaccustomed to its use, in an environment seeking to make the spending of money as easy and pleasurable as possible, added further to the disintegrative impact of change on Whanganui Maori social and cultural cohesion. ‘In the years from 1900 to 1905 there was also a strong movement towards the settlement of the native lands of the interior and large blocks were let or sold. The town [Wanganui] was frequently blanketed in smoke from bush fires that preluded settlement, but the

shopkeepers rejoiced in the easy spending of the natives as the rents and purchase moneys went into circulation'.[97] Money was easy enough to obtain by selling land, but the lack of authoritative structures for financial re-investment and for attracting development finance retarded Whanganui Maori long-term economic development possibilities. At a time of deepest vulnerability, leadership was undermined and the chances of evolving a more responsive direction in the face of change became even more problematic. Again, the cultural and social impact of the capitalist economy, and the vulnerability of Whanganui Maori to that impact, meant that the natural predatory drives of the new order found a ready victim.

The impact on Pakeha of what, from a Pakeha perspective, could only have been regarded as a morally distasteful wastefulness in economic matters, could not have enhanced Pakeha willingness to assist Whanganui Maori in, what was for Whanganui Maori, a period of particular economic turbulence:

> Moreover, the squandering of easy money received from the sale of land reacted to the detriment of the Maoris by hastening their physical and moral deterioration and by lowering their reputation in the eyes of their Pakeha neighbours. It was in this period that they came to be regarded as shiftless, improvident, and incapable of sustained industry.[98]

To stand some chance of significant participation within this social and economic revolution, Whanganui Maori would have needed a co-ordinated control over the moneys obtained from land sales or leasing and a clear economic framework in which to operate. They would have needed, at the very least, some kind of trust, incorporation or komiti mechanism to be recognised by law. Even with these factors, there would have been no guarantee of economic success, as that can never be guaranteed, but to lack these could only have increased the disadvantages Whanganui Maori faced in competition with Pakeha in the district. The reiteration of the Rees-Carroll Commission report observation:

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[97] Chapple and Veitch, *Wanganui*, p. 239
[98] Condliffe, *New Zealand in the Making*, p. 81

'If a man sowed a crop, others might allege an equal right to the produce', highlighted an important point. The process of individualisation, introduced after 1873, resulted in an individual title that could be sold easily enough without reference to the remainder of the community, but was virtually worthless for any other purpose. Actual individualisation on the ground involved a costly, complicated and extremely rare process. This led Ward to observe: 'In fact, it [individualisation] was a process by which each owner's signature was made a marketable commodity, but which rarely led to individual Maori owning a small farm marked out on the ground'.[99]

In the long excerpt quoted, the Stout-Ngata Commission report further confirmed how the uncertainty created by the Native Land Court legislation regarding ownership of land improvements, and therefore any incentive to undertake them, continued to undermine Whanganui Maori competitiveness: 'The apprehension of results which paralyses industry cast its shadow over the whole Maori people'. In other words, the economic framework here, created by legislation, was deeply flawed, placing a further obstacle in the way of coherent development, and increasing Whanganui vulnerability to Pakeha who laboured under no such impediments.

To have a co-ordinated control over moneys arrived at through land alienation implies an authority capable of undertaking such responsibility. The problem for Whanganui Maori was that their sources of authority were those explicitly subverted by the Government in pursuit of economic development:

> The object of the Native Lands Act was two-fold: to bring the great bulk of lands in the Northern Island which belonged to the Maoris… within the reach of colonisation. The other great object was the detribalisation of the Maori – to destroy if it were possible, the principle of communism which ran through the whole of their institutions, upon which their social system was based, and which stood as a barrier in the way of all attempts to amalgamate the Maori race into our social and political system. It was hoped by the individualisation of titles to land,

[99] Ward, *An Unsettled History*, p. 168

> giving them the same individual ownership, which we ourselves possessed, they would lose their communistic character, and that their social status would become assimilated to our own.[100]

Individualisation of title was not a purely economic phenomenon, as was pointed out in the first chapter. The individualisation of people that it also fostered, individuals detached from tribal authority and empowered to alienate land, helped to weaken or destroy Whanganui Maori co-ordinating authority. In as far as any policy to weaken Maori authority structures was successful, it had the effect of contributing towards easier alienation of land as Maori authority to resist or construct alternatives weakened.[101] A further consequence of undermining Maori authority was a weaker capacity for Maori to collectively construct economically viable alternatives with the land and resources remaining in their control. Where there was any intention to ensure that Maori became assimilated into a Pakeha world, the economic consequences, in the absence of specific recognition of Maori disadvantage and actions to address that disadvantage, would always be generally unfavourable for Whanganui Maori. One hundred years ago, this was perfectly obvious. Precisely what form any action to address disadvantage should take, particularly within a social and economic environment that was reluctant to accord any significant advantage to Maori especially where this would disadvantage other powerful Pakeha interests, became a major source of debate throughout the twentieth century.

Over and above these real obstacles to Whanganui Maori economic development, mention must be made of the general lack of knowledge, skills and networks Whanganui Maori had compared to their Pakeha competitors.

> In the early development of New Zealand, Maori knowledge and familiarity with the country's natural resources proved advantageous. But the transformation of

[100] NZPD, (1871), p. 361

[101] Of course, a major theme of Maori political activity in the period after 1870 was the endeavour to gain Crown recognition of ongoing instruments of communal control such as runanga, komiti, incorporations and so on. This report does not focus on this activity, but V. O'Malley, 'Runanga and Komiti: Maori Institutions of Self-Government in the Nineteenth Century', (PhD thesis, Victoria,2004) is a valuable source.

> economic activity from simple commodity production to value-added production and export (in addition to production and services for domestic demand) meant that important qualifiers for successful entrepreneurial entry became knowledge of overseas markets, commercial contacts, and networks. Maori had no storehouse of such qualifiers.[102]

Further, had they the interest, Whanganui Maori were lacking in the requisite social capital to embark on enterprise in the colonial economy. Immigrants were more diverse than just labourers and capitalists. They were printers, watch makers, clerks, shipbrokers, upholsterers, gunsmiths, coopers, wheelwrights, shoe makers, glaziers, engineers, coach builders – artisans mirroring the broad occupations of Europe. Whanganui Maori had no tradition of these skills, and in a rapidly industrialising colony, they were precisely the skills in demand. Hunter found in his study of New Zealand entrepreneurs between 1880 and 1910 that:

> New Zealand entrepreneurs typically did not come from wealthy families, or the working classes, but emerged from middle class backgrounds, often where the father was himself an entrepreneur. In addition, New Zealand enjoys a strong heritage of immigrant entrepreneurship, and those immigrants, though they originated from numerous countries, in the main, came from the United Kingdom. It is a story of technology and knowledge transfer, as Old World training was translated into New World enterprise.[103]

Pakeha familial networks of skill and connections gave further competitive advantages for certain Pakeha. Whanganui Maori were at a serious cultural disadvantage in the struggle for economic leverage, regardless of whether they retained significant amounts of useful land, or structures of association which facilitated participation within the broader economy.

[102] Hunter, *Age of Enterprise*, pp 32-33
[103] Hunter, *Age of Enterprise*, p. 86

Most Maori, whether literate in English or Maori, had a poor knowledge of commercial accounting and records. A low level of understanding in such matters severely restricts the potential benefits of business by letter. This deficiency encouraged Whanganui Maori producers to take their goods to the local market to sell to a Pakeha trader. Others dealt with the itinerant agents of these traders. In trade there were few Maori middlemen, let alone banks or insurance companies in this district. The absence of such facilitating factors could only reduce the scale and effectiveness of Whanganui Maori commercial undertakings, by introducing inflexibilities, insecurities and a heavy demand on time.

In summary, the problems Maori faced were readily recognisable to the Stout-Ngata Commission:

> The necessity of assisting the Maori to settle his own lands was never properly recognised… The spectacle is presented to us of a people starving in the midst of plenty. If it is difficult for the European settler to acquire Maori land… it is more difficult for the individual Maori to acquire his own land, be he ever so ambitious and capable of using it. His energy is dissipated in the Land Courts in a protracted struggle, first, to establish his own right to it, and secondly, to detach himself from the numerous other owners to whom he is genealogically bound in the title. And when he has succeeded he is handicapped by want of capital, by lack of training – he is under the ban as one of a spendthrift, easy-going, improvident people.[104]

With communal forms of land ownership and management stymied, and individual use of land handicapped, the circumstances for effective Whanganui Maori economic development were not especially favourable.

In general terms, Whanganui Maori faced formidable obstacles, obstacles so great that their very survival might be regarded as something of an achievement, economic and otherwise. The obstacles included: the imposition by legislation of a more favourable, economic regime for Pakeha on Whanganui Maori, completely replacing the attempts by Whanganui Maori to engage with economic change in their own terms; the attendant

[104] Stout-Ngata Commission Report, *AJHR*, 1907, G-1c, p. 15

economic upheaval (and throughout Whanganui Maori society); the advantages others obtained from this upheaval and the incentive they therefore had to exacerbate it; the greater familiarity Pakeha had with the new economic order; the greater commercial acumen, skills and networks Pakeha had in the new economic order; and the completely dominant political order of nation state authority for whom Maori were only one component among many competing interests. Under these constraints, the economic options for Whanganui Maori were not especially diverse. Where selling labour power became a major alternative, Pakeha already held a significant skills advantage.

Whanganui district

The general points made in this chapter so far can now be made more explicit with reference to Whanganui Maori experience. These points should be supplemented by the relevant sections from other reports in the casebook, especially Rose's socio-economic report and Marr's Crown impacts on customary Maori authority over waterways report. It is not easy to obtain exact information about wages and salaries obtained by Whanganui Maori at this time, and compare them with Pakeha, especially given the informal and often seasonal nature of Whanganui Maori employment. Further complications would include the extent to which particular groups or individuals were augmenting their income through the receipt of rents and if so how much this involved. Some comment on this has been attempted further into the chapter. Finally, there are the problems of comparing the living costs for Whanganui Maori, given their almost entirely rural location, in comparison to Pakeha, who generally do not live in rural locations. Highlighted are aspects of Whanganui Maori economic experience, largely drawn from existing reports, which indicate the position Whanganui Maori came to occupy within the Whanganui district economy and which offer at least a basis of general comparison and contrast with the Pakeha Whanganui district economic experience.

As Stevens notes, citing R. Woon, 'Maori along the Whanganui river had adopted a number of new horticultural practices in the post-contact period and engaged in successful trading relationships with settlers in the township of Wanganui. The full spectrum of crops raised included wheat, oats, potatoes, Indian corn, kumara, Maori

breadfruit, pumpkins and melons. Large amounts of fruit were also harvested for trade purposes namely peaches, apples, figs, pears, quinces, grapes and gooseberries'.[105] Initial involvement with the Pakeha economy brought certain advantages such as wider food sources and more opportunities for profitable trading with enhanced production.
By the 1880s, this adaptation was breaking down, and in the following excerpts, taken from casebook reports and general literature about the Whanganui district, a new shape to the Whanganui Maori economy is evident. Some of these assessments and snippets are more positive than others, but there is general agreement about what Whanganui Maori were doing. Frequently, more positive comment on Whanganui Moari economic performance comes from the earlier turn of the century period, and is rarely sustained far into the twentieth century.

Voelkerling and Stewart make a number of claims about the economic activities of Whanganui Maori, not all of which are referenced. They note that: 'From as early as 1887, Europeans travelling into the Waimarino had noticed the high standards of Maori sheep farming. Just south of Raetihi for example, the Maoris "have a fine settlement and a magnificent country road, on which they are felling the bush… They very proudly pointed out to their sheep, cattle and pigs, of which they have a good stock, and all looking well", wrote one visitor.'[106] Voelkerling and Stewart note that, between 1899 and 1910, the number of Maori sheep farmers in New Zealand declined by 50 percent,[107] (an interesting statistic given the growth of sheep farming over this period), while the numbers of such owners in the Waimarino remained constant. They concluded that, at least in the Waimarino, individual land ownership did not necessarily hinder Maori efforts to farm their land successfully.

In support of this, Voelkerling and Stewart note that the Stout-Ngata Commission of 1907 singled out Waimarino Maori for a special comment. 'The Commission recognised that the demand for land, increased by the construction of the Main Trunk Railway and the suitability of the land for agriculture, 'justified the… activity of the Maori owners,

[105] E. Stevens, 'Socio-economic consequences', p. 19
[106] Voelkerling and Stewart, *From Sand to Papa*, p. 145, citing *The Yeoman* 12 August 1887
[107] Voelkerling and Stewart, *From Sand to Papa*, p. 145

assisted by the Court, in pursuing the European ideal of individualising their holdings. A policy which might have been suicidal under other circumstances would seem to have been justified here, because of the extent of individual and family interests, the position and value of the land involved.'[108] Explicitly accepted here by the Commission was the need for Maori to have valuable land useful for agriculture if the individualisation process was to succeed, otherwise the policy might have been 'suicidal'. No further evidence is cited to suggest that Waimarino Maori farms continued to be noteworthy through the twentieth century by Voelkerling and Stewart. This is apart from the fact that they are highlighted by the Commission as being exceptional. Being exceptional here suggests that farming for Maori was not a notable occupation in the Whanganui inquiry district. Voelkerling and Stewart also cite another type of activity, which appears to have involved more people: 'Not all Maoris however, were involved in farming. Many were casual labourers. The settlements on the lower Manganui-o-Te-Ao river became depopulated after 1900, when many of their inhabitants left to seek employment on the construction of the Main Trunk Railway.'[109]

There is some suggestion that where some Whanganui Maori were in a position to make money in assisting Pakeha, they seized the chance, but their very success endangered this small example of entrepreneurship: 'Tourists are advised not to risk going overland to Taumarunui on the chance of being able to obtain a canoe and crew for passage down to Pipiriki. They would be at the mercy of the natives, and might have to pay an exorbitant rate.'[110] The same author also notes evidence of successful cultivation: 'Ranana (London). – L. bank. An important kainga, with extensive cultivations on the slopes on both sides of the river.'[111] When comparing this example, and the sheep-farming example, with later twentieth century developments, it is clear that Whanganui Maori faced some subsequent difficulty in sustaining these enterprises.

[108] Voelkerling and Stewart, *From Sand to Papa*, pp. 145-146
[109] Voelkerling and Stewart, *From Sand to Papa*, pp 146, but no reference for this information.
[110] Allen, *Willis's Guide Book*, p. 148
[111] Allen, *Willis's Guide Book*, p. 156

In her report, Stevens claims that: 'For the most part Maori involvement in the development of land was as seasonal labourers working on Pakeha farms.'[112] As the Whanganui hinterland was opened up to Pakeha settlement, Maori communities were more affected by the Pakeha economy. Numerically Whanganui Maori numbered only 12 percent of the district by 1891, standing at 2042.[113] Being drawn in to the new economy meant that Whanganui Maori had to adapt to the needs and opportunities provided by that economy, but that depended on what Whanganui Maori could offer.

> In the 1890s and 1900s iwi and hapu members from the various pa settlements found seasonal work bush felling, scrub cutting, grass seeding, fencing and building tracks and roads. This seasonal work was supplemented by subsistence gardens at the pa settlements and the gathering of traditional food supplies such as eel, lampreys, and whitebait. Maori in the district were also employed shearing in the 1890s which frequently involved many members of the hapu.[114]

Stevens can reach conclusions like this because of observations made at the time concerning the nature of Maori employment: 'Many of the young men in the Horowhenua and Whanganui Districts seek European employment. A few are learning trades, while others are employed on farms, road- making, flax-milling, shepherding, &c'[115]; and: 'Quite a number of Maori men are employed in the various flax-mills, others on road construction, bush-felling &c'.[116] More problematically for Whanganui Maori: 'The district, comparatively speaking, is poor, and the Maori has to compete against his pakeha fellow-labourer, which means bringing wages down to a bare living wage.'[117] Government employment on roads and railways had been one source of labour, which had assisted families to cope with the potato blight of 1905-1906, as was noted by the sub-enumerator.[118] This admittedly patchy evidence, derived however from Government

[112] Stevens, 'Socio-economic consequences', p. 43
[113] C. Innes, 'Maori population trends in the Whanganui inquiry district 1880-1945, A scoping exercise', (Waitangi Tribunal,2006), p. 18
[114] Stevens, 'Socio-economic consequences', p. 43
[115] *AJHR*, 1901, H-26B, p. 16
[116] *AJHR*, 1906, H26a, p. 18
[117] *AJHR*, 1906, H26a, p 19
[118] *AJHR*, 1906, H26a, p. 19

officials charged with providing an accurate overview of the state of the district, indicates that Whanganui Maori were being drawn into the district economy, that the occupations tended to be seasonal and supplementary of subsistence living, that the region itself however did not offer great opportunities, and those on offer were also competed for by Pakeha. While railway construction offered further opportunities, the completion of the Main Trunk Line in 1908 removed that potential source of work.

As Rose notes, reports from the 1906 census help to indicate the extent of Whanganui Maori economic activity: 'Most communities cultivated subsistence crops, largely of potatoes, and this was supplemented by migration for labour on farms, in the timber industry, or in public works. A minority of families had small-scale dairy or sheep farms and another small group of 'well-educated' individuals has skilled work in offices or in trades.'[119] This would seem to be broadly accurate up to the 1930s, but knowing in detail the scope of seasonal work or how viable seasonal work was over time is harder to establish.

The broad parameters of what we know do suggest what sort of economic developments and opportunities were available to Whanganui Maori however, and these opportunities, compared to those available to Pakeha in the district, were more limited. Whanganui Maori lived in small rural communities. As long as that remained the case, their ability to participate in the district economy would focus on subsistence farming, and seasonal work in whatever form that became available in the district. The major forms of seasonal work opportunity derived from the opening up of the district, including bush clearing, farm work largely on Pakeha farms, and work arising through infrastructure developments such as roads and railways. Where such work might have been financially rewarding, it would have brought in competition, perhaps from Pakeha, and competitive wage rates.

When the evidence that Rose and Stevens cite concerning health, education and housing is considered along with the employment opportunities of Whanganui Maori, the

[119] Rose, 'Whanganui Maori and the Crown: socio-economic issues', p. 201

conclusion is that employment offered a means of survival, but not of development. In comparing the physical expansion and confidence expressed through Pakeha building programmes in the Whanganui district, Whanganui Maori did not invest in or create anything remotely comparable. On the contrary, the evidence points to the existence of a poorer subclass of persons.

The dependency and vulnerability of Whanganui Maori is further illustrated when considering their food sources, once noted as so varied. Rose discusses the potato blight that struck the upper Whanganui region in 1905-1906.[120] As in all instances of this nature, most famously the Irish potato famine, the impact of a particular blight on a particular crop is accentuated into a problem if there already is a primary reliance on a single crop for sustenance. This seems to have been the case for a number of upriver Maori communities by 1905, and signals a transition from multiple sources of food to a primary dependence on one major vegetable. As the sub-enumerator for Waimarino County, R.G. Park, pointed out:

> 'The whole of the Maori potato-crops in this district were destroyed by blight, and some of the Natives are absolutely without potatoes. Bread is at present the principal foodstuff of these people, but it will not be long ere their means in this direction will be exhausted. Then, how will these people subsist? You are aware that this article is the life of the Maori.'[121]

For this to have occurred also signals reduced opportunities to gather a range of foods, to cultivate a variety of crops which would otherwise have offered a degree of protection against blight on a particular crop. Unless Maori had converted substantial amounts of their land for commercial potato use, and there is no evidence to suggest this was the case, then the contraction in crop amount and variety, within an already reduced population, was clear evidence of an impoverishment, precariously balanced year by year on the nourishing but vulnerable potato. An explanation for the situation Whanganui Maori found themselves in, in terms of reliance on the potato and subsequent

[120] Rose, 'Whanganui Maori and the Crown: socio-economic issues', pp 184-196
[121] *AJHR*, 1905, 'Wanganui &c', H26a, pp 28-29

vulnerability, seems to involve a number of factors coming together. First, with land alienation and the break up of large tracts of continuously controlled hapu land, Whanganui Maori were no longer able to periodically shift their cultivation to new ground as had formerly been their custom. There was likely to have been loss of mahinga kai as Pakeha settlement increased and the environment was transformed. Second, with increasing competition from Pakeha suppliers, the markets that had formerly existed in the 1850s and 1860s had collapsed. Third, Whanganui Maori communities were under greater pressure to work for Pakeha for wages, leaving less time for cultivation of crops and greater dependence on the purchase of Pakeha grown foodstuffs. Fourth, as Stevens discusses,[122] there was the damage caused by the passing of the steamers to eel and lamprey weirs. Despite their importance to the local Whanganui Maori economy, these weirs were removed to facilitate trade and tourism on the river.

The difference between the variety of crops noted as grown by Woon in the late 1870s, and the situation revealed by the potato blight is striking. If there was any question that the possibility of capital accumulation through agricultural production for trade was still an option for Whanganui Maori, then the potato blight indicated that this strategy had ceased to be viable. Nothing comparable appeared to have replaced it, so that subsistence living had become the norm, and any other income insufficient to ward off or provide for contingencies. Whanganui Maori had become vulnerable dependants whose remaining land and resources could not be harnessed to sustain them in the face of disease in a single crop. A question remains of course as to the extent of this situation, and it is likely that where other Whanganui Maori communities were not so dependent on the potato, the capacity to ride out the threat would have been greater. However, dependency and poverty clearly marked some upriver Whanganui Maori communities as noted by Rose.

Articles from the *Whanganui Chronicle* provide a further perspective on the potato blight.[123] The seriousness of the situation is noted: 'To such a desperate condition are the natives reduced that many of them are living on fern root and such food as the bush

[122] Stevens, 'Socio-economic consequences', pp 57-58
[123] *Whanganui Chronicle*, 30 November 1905, 'Starving Natives'

affords, while we are informed that a piece of bread or biscuit given to the children is devoured by them with all the fierceness of ravening beasts'. The community is called on to assist through the agency of Hatrick:

> Now that the season of goodwill to all men is so close upon us, we are sure that the parents of Wanganui will not hesitate to give out of the abundance provided for their own little ones something for the relief of these poor Maori children. Mr Hatrick, in his letter which appears in our columns today, kindly offers to forward, free of cost, anything in the shape of flour, potatoes, rice, biscuits etc, that may be sent to him, and we feel sure his request for food for the natives will meet with a ready response.[124]

In our age, frequently besieged by appeals for the needy of the world, the language is immediately recognisable. The spirit it demonstrated among the Pakeha community is commendable, but rather like modern day appeals, it is sometimes useful to know about the circumstances that led to this dependency and poverty among a people who only recently had not been in this position. And it raises a question as to the extent to which their misfortune and the good fortune of those able to contribute was linked.

Appeal was also made to another class of person, whose presence and number for this report has been impossible to specify, but whose existence was taken for granted at the time:

> There is another class of people to whom we also appeal for contributions, viz., the wealthy Maoris, of whom there is not an inconsiderable number living up and down the coast. The unfortunate up-river natives have a distinct claim on the generosity of these, which should not go unrecognised, and seeing that they are able to live in comfort owing to the possession of large tracts of land which the

[124] *Whanganui Chronicle*, 30 November 1905

> more unfortunate members of their race are almost without, it is their duty to come forward and assist their pakeha brethren in so laudable an object.[125]

The precise understanding of the time as to what a 'wealthy' Maori was supposed to be, for example whether an extremely wealthy individual or family, or simply one who was not obliged to work, or a high spender, is not clear, but the base of wealth was assumed to be the possession of large tracts of land. The presence of a distinct class of wealthy, land owning Maori in the Whanganui inquiry district, at least to the extent that such a class had some measurable economic impact and was able to focus a specific interest, has not been established as yet. This is not to suggest that wealthy Maori did not exist, but to point out that the economic circumstances of Whanganui Maori did not create a class structure on similar lines to Pakeha, let alone one that set up some sort of Maori gentry.

Whanganui district does not have a tradition of land based Maori gentry to whom one could appeal for funds for the less fortunate. The belief, as evidenced by the Wanganui Chronicle, that such wealthy Maori existed, could however provide justification for further acquisition of Maori land so as to remove such land from a parasitic, rentier, Maori class, and put it into the hands of decent, owner operator farmers.[126] At the very least, the article suggests that Maori society had lost its capacity to co-ordinate a common response in the face of adversity. Whanganui Maori were now marked by divisions of wealth and poverty, created by unequal land distributions, which not only alienated them from their own immediate social and economic history of sustainability, but made them vulnerable to further Pakeha opprobrium and pity, both for being rich and for being poor.

Rose, Walzl and Boulton[127] highlight in their reports how the difficulties of land title, access to finance and the burden of rates (a burden compounded by the first two difficulties) impacted on Whanganui Maori efforts to make their land resources economically effective. This report will not cover that ground again. In general, the

[125] *Whanganui Chronicle*, 30 November 1905
[126] Brooking, *Lands for the People?*, pp 81-82

difficulties created by land title individualisation for Maori, and the obstacles to accessing finance, which largely flowed from insecurity of land title, were readily identifiable by the end of the nineteenth century. By the time the government came to address these issues more comprehensively in the 1930s (driven by Ngata's energy and commitment), significant damage had already been done to the economic base of Whanganui Maori. Decades of subsistence farming, supplemented by seasonal work, in rural surroundings where frequently the best land had either been sold or was vested, did not create a favourable climate for capital accumulation or the acquisition of comprehensive commercial skills or advanced educational qualifications. From significant landowners, Whanganui Maori had been reduced by 1930 to essentially a rural proletariat. Unsurprisingly, when the Ratana movement sought to make an impact, it gravitated toward the Labour party, another mouthpiece of socio-economic complaint, as the Pakeha party most in tune with the reality of everyday Maori disadvantage.[128]

One source of economic opportunity for Whanganui Maori, which was taken up with some enthusiasm, was the vesting of their lands following the creation of Maori Land Councils and Boards. These outcomes and the circumstances promoting them as options have been covered extensively in a number of reports.[129] For this report a brief discussion as to the opportunities such vesting opened up for economic development is required. As Marr notes:

> Whanganui Maori appear to have taken up the opportunities offered by the new system of vesting and leasing land with some enthusiasm. […] Between 1902 and 1904 some 106, 353 acres of Whanganui lands were vested in trust in the Aotea Maori Land Council in trust (sic). This was 45% of all land vested nationally in Maori Land Councils at the time.[130]

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[127] Rose, 'Whanganui and the Crown: socio-economic issues', pp 208-221; Walzl, 'Whanganui Lands 1900-1970', pp 114-123; and Leanne Boulton, 'Native Townships in the Whanganui Inquiry District Research Report Draft Report', (Waitangi Tribunal, June 2003), pp 82-85

[128] K.Newman, *Ratana Revisted. An Unfinished Legacy*, (Auckland,2006), p. 276

[129] Stevens, 'Socio-economic consequences', pp 67-73; Walzl, 'Wanganui Lands', pp 59-80; Marr, 'Crown Impacts on Customary Authority', pp 117-123; D.M. Loveridge, 'Maori Land Councils and Maori Land Boards; an historical overview 1900-1952', (Crown Law, 1996); S. Katene, 'The Administration of Maori Land in the Aotea District 1900 to 1927' (MA,Victoria University,1990); and in particular M. Horan, 'The Management of Vested Lands in the Aotea District, 1902-1913', (Crown Law,2006)

[130] Marr, 'Crown Impacts on Customary Authority', p. 119

Difficulties rapidly surfaced, which reduced any real economic benefit that Whanganui Maori might have obtained from this vesting/leasing development. Whanganui Maori made it clear to the Stout-Ngata Commission that they did not favour any system of leasing that divested them of the fee simple of their lands. They expressed concern that the system set up under the Act of 1900 was costly and, although there was the potential to obtain good rentals, this was overwhelmed by the deductions for costs associated with surveying, roading and administration.[131]

Aside from these practical issues to do with the running of this new system, Marr identifies a broader problem:

> It seems that the legislation was essentially a compromise between Maori demands and settler pressure to have large areas of Maori land 'opened up' for settlement. The government appears to have assumed that if it could find a way of overcoming the 'backlog' of the Maori Land Court, reduce Crown purchasing in favour of leasing and offer a greater role in land management for Maori communities, then in turn Maori would make considerable use of the new mechanisms provided to vest land. This in turn would 'open up' what were believed to be large areas of 'unutilised' lands for leasing for Pakeha settlement. When this did not rapidly eventuate, the government showed itself willing to resort to increasingly more coercive measures to make Maori land available.[132]

While this interpretation of government action may be generally true, the poorer quality of land remaining in Whanganui Maori ownership was also likely to have been a factor in Pakeha hesitation in taking up leases. Where leases were taken, the risks and costs in developing the land led Pakeha to pressure the Government for more permanent, long term rights on the land, including the possibility of outright ownership. Whanganui Maori did not hesitate to vest, but the problem lay in leasing. The Whanganui inquiry district

[131] *AJHR*, 1907, 'Native Lands in the Whanganui District', G-1A, p. 11
[132] Marr, 'Crown Impacts on Customary Authority', pp 119-120

environment posed particular problems if it was to be developed profitably. This impacted on the number of leases that could be obtained and the amount of money obtainable in rent, the issues identified before the Stout-Ngata Commission by Whanganui Maori, and Pakeha desire for more control of the land given they bore the development costs.

One of the major impacts of capitalist and legislative conversion of the Whanganui Maori economy was that Whanganui Maori had lost a central, cohesive, co-ordinating authority to use land effectively. The Land Council experiment offered some prospect of co-ordinated use of some remaining Maori land for economic gain for owners, who themselves could not engage in the economy effectively with this land. This option of vesting safeguarded the land, but was itself an explicit recognition that the process of land individualisation and alienation had left Maori with a reduced ability to participate effectively in the local economy. Vesting lands in the council was supposed, at least from the Maori perspective, to help overcome these obstacles so as to allow some sort of financial benefit to accrue to Maori owners.

However, as noted, various costs reduced whatever benefit might have accrued, and the improvements that lessees made on the lands built an expectation among these lessees that the land might eventually become theirs through perpetual renewal. This latter point was argued by counsel for the lessees in front of a Royal Commission appointed in 1949 to inquire and report on matters relating to certain leases of Maori lands vested in Maori Land Boards.[133] Counsel was able to cite the comments made by one of the Pakeha members of the Aotea District Maori Land Council and later Board, T.W. Fisher, who had commented in front of a Parliamentary Committee hearing in 1911 to hear petitions by Ohotu lessees: 'The position is clear: the block was leased on a perpetual right of renewal except that at the end of the second term (for forty-two years from the date of original lease) the Native owners have the option of paying up the value of the improvements in the whole block, when it would be reconveyed to them; therefore the lessee will get the whole of his improvements: failing the payment at that period, the right

[133] The 1949 Commission is discussed in Stevens, 'Socio-economic consequences', pp 69-70

of renewal exists in perpetuity.'[134] Although this position was not upheld by the 1949 Commission, it demonstrated the risks Maori had to run in order to make some economic headway with their lands.

Reduced opportunity and the fear of further land loss made the vesting scheme attractive for Maori, and while it may have helped to restrict land loss, it would appear that economic benefits were limited, and came with the risk that improvements made by lessees would make the return of leased lands very difficult unless Maori were to be in receipt of significant capital from another source sufficient to pay out those lessees. In the absence of such an alternative source of capital, the confidence, early in the twentieth century, of Pakeha lessees that they would eventually obtain the land either in perpetuity, or even in fee simple, seemed justified. The essential point was that Maori land development and economic opportunity had been rendered precarious. The Land Boards and the vesting process was a recognition of this fact. However, in practice, while slowing the loss of Maori land, this process did little to make what remained into a viable economic source of income and potential investment for Maori owners. On the contrary, it provided opportunity for Pakeha lessees who had an incentive to develop improvements, not only for further immediate gain as one would expect, but with the long term view that the improvements made would be impossible for Maori to compensate for, so ensuring long term possession.

This is not to suggest that vesting their lands had brought no benefit to Maori only that it was a limited benefit, and carried significant risks. The attraction of vesting lay essentially in the absence of realistic alternative scenarios whereby Maori could retain what land remained to them and use it in an economically beneficial manner. In a sense they had to lose it (by leasing) to keep it. However, the problems of succession created through the Native Land Court individualisation process meant that the limited benefits that flowed back to Maori once all other costs were deducted were too dispersed to provide any significant investment capital. Maori remained vulnerable, and lands not vested could be targeted by would-be purchasers, or the Crown for public works or scenic

[134] Parliamentary paper I-3B of 1911, p. 10, cited in *AJHR*, 1951, G-5, p. 22

reserve purposes, in the knowledge that the owners were not in a strong economic position to resist land sale overtures. As Brooking notes more broadly,[135] while pressed by Pakeha to use their land or lose it, Maori in practice found the challenges to using their land in a rational, economic manner so great that losing it became a strong likelihood.

A further dilemma presented itself, as can be deduced from comments made in November 1905 to the Wanganui Chamber of Commerce concerning the attitude of local Maori to the new legislation concerning land boards:

> One of the measures passed empowered the natives to take up lands under the guidance of the Land Council or Board, but they had not the money wherewith to farm the lands to advantage. In the Upper Wanganui District there were thousands of acres lying idle, and those holding over 640 acres (the amount stipulated by statute) were willing and anxious to dispose of the balance to the Government for the benefit of European settlers. Ohotu was practically in the same position as other lands and he thought there would be no difficulty in the Government purchasing portions of the block. Some of the natives individually held from two to three thousand acres, and very many held over a thousand acres each. They were quite willing to sell to the Government provided the latter would assist them in farming the land they retained.[136]

Maori needed capital to develop their lands and the suggestion here was that land be sold to obtain that capital. However, a buyer would be interested in the better quality land so that the poorer quality land would be left to Maori to develop at a higher cost. This leaves aside the standard ignorance of the time concerning the real quality and nature of the land for farming purposes, which meant that costs would often be higher than originally planned for. Finally, the peculiar circumstance again needs noting that individual Maori could have ended up owning allegedly thousands of acres when only decades before such a situation would have been economically inconceivable for Whanganui Maori. Not that

[135] T.Brooking, 'Use it or Lose it. Unravelling the Land Debate in Late Nineteenth-Century New Zealand', *NZJH*, vol 30, 2, (October ,1996), pp 141-162
[136] *Wanganui Herald*, 'Native Lands in the Interior', 22 November 1905

owning such an apparently large amount of land necessarily afforded any real economic development potential, given '…the Maori who may own thousands of acres of land, but finds his wealth distributed and dissipated over a hundred or more square miles in forty or more blocks.[137] In situations of this sort, it was not surprising that some Whanganui Maori were willing to sell land.

Where land was obtained in some manner from Maori, this could be seen to be more to do with the quality of the land than the readiness of Maori to sell.[138] Basically, good quality land was largely alienated; lesser quality land remained in Maori hands because the cost of turning such land into an attractive economic proposition acted as a disincentive for potential buyers. Whanganui Maori retain as much land as they do in the Whanganui inquiry district because, in a happy irony, much of the land is not good quality farm land. Land is retained, but the opportunity for economic development and investment on it is limited. As is common in New Zealand where land has not been converted by settlers, there comes a time when a National Park is suggested for its use, and this has happened in the Whanganui inquiry district. The creation of the Park, within the area where most remaining Whanganui Maori land is concentrated, is further evidence of the quality of land left to Whanganui Maori, and therefore the lack of real economic opportunity that the retention of this land afforded Whanganui Maori.

Whanganui Maori difficulty in accessing funds for development was noted in 1906 (in fact it is regularly noted as an ongoing issue to the 1930s, with Ngata's development schemes designed in part to overcome this problem). The census sub-enumerator for Wanganui County observed and pointed out: 'I should like to see steps taken to compel the Native to work his own land, and provision made for him to be able to borrow Government moneys under the same conditions as the European (Advances to Settlers Act). The Natives here hold large blocks of land and cannot work for the want of capital'.[139] This lack of capital made Maori land vulnerable to sale pressure from those

[137] *AJHR*, 1907, 'Native Lands in the Whanganui District', G-1A, p. 9
[138] Cf Mitchell and Innes, pp 38-54 and Map S2.4, p. 55 for maps detailing Whanganui Maori land loss over time, and the quality of land cover.
[139] *AJHR* 1906, H26a, pp 19-20

who did have access to capital. While the possession of capital would certainly have been useful, it was less useful when conjoined with other disadvantages such as lack of skills, experience and connections within the burgeoning Pakeha pastoral economy, and the title difficulties that either existed initially with multiple owners or which arrived with succession.

A further ongoing economic burden for Whanganui Maori followed from the interruption to farming or other labour that the need to attend Native Land Court hearings necessitated. These interruptions were not just nineteenth century phenomena. Rose has covered this in her report,[140] and while it is difficult to quantify to any precise degree the extent of economic loss, nevertheless Native Land Court attendance must have had an impact through interrupted economic activity, lost revenue, expenses incurred and health and safety issues arising from the need to travel and be absent in some cases for weeks at a time. A question arises here, which cannot be answered, as to the extent of effective Whanganui Maori representation at Native Land Court hearings, given the pressure to ensure a viable economic base at home and the possibility therefore that key individuals might not have been able to attend hearings. Torn between putting food on the table for the family and ensuring there was land for the family to cultivate could not have been an enviable circumstance where it may have occurred.

The presence of Maori attending Native Land Court hearings created somewhat of a dilemma for Pakeha in Wanganui as, on the one hand shopkeepers liked the custom they brought and opposed any relocation of Native Land Court hearings elsewhere, whereas other Pakeha resented increased Maori numbers as a health risk. Whanganui Maori themselves were unsuccessful in having Native Land Court hearings relocated outside Wanganui.[141] Pakeha of course did not confront a similar disruption to their economic activities or were forced to relocate inconveniently to rural environments, since the Native Land Court process was designed to bring Maori land tenure in line with Pakeha practice not vice versa. On the contrary, the Native Land Court process from the Pakeha

[140] Rose, 'Whanganui Maori and the Crown: socio-economic issues', pp 176-182
[141] Rose, 'Whanganui Maori and the Crown: socio-economic issues', pp 176-182

economic perspective, just to limit it to economics, was always one of expanding opportunities for potential land acquisition and heightened prosperity and security. Indeed the Native Land Court process cannot be understood if its impact on Maori alone is focussed on.

The establishment of Pakeha controlled city, borough, local, and regional councils, as well as a plethora of boards of differing sorts, gave Pakeha access to avenues where further needs could be debated such as roads and infrastructure, and pressure brought to achieve these needs in particular areas**.** Pakeha did not always gain what they wanted but at least they were arguing in the right forums. While sometimes the needs argued for, such as improved infrastructure, might benefit Whanganui Maori, the primary concern for those petitioning for these ends was that Pakeha economic and commercial opportunities be enhanced. Petitioning the Crown directly was a less effective way to advance Maori needs, yet the alien nature of Pakeha forms of representation meant that a whole channel of influence was unavailable to Maori even if, legally speaking, there was no formal barrier to Whanganui Maori representation on the various political instruments operating at local level.

For Whanganui Maori to deal with the Crown directly was increasingly anachronistic in a system where the Crown as central government was at the apex of a complex political and social system of influence, a last resort rather than the first port of call. Knowledge of the intricacies and participation in this Pakeha system was essential if influence could be brought to bear for Maori interests. The inability of Whanganui Maori to penetrate this system in order to represent Whanganui Maori concerns effectively meant that economic vulnerability was compounded by political impotence.

Organisations such as Ratana, or the influence that highly placed insiders in the system such as Ngata could bring to bear, offered some prospects for the concerns of Maori to be addressed, but the very existence and need for these instruments highlighted the failure of the normal political and social infrastructure to represent Maori effectively. Pakeha interests in the Whanganui inquiry district were not in any similar manner so dependent

on the good fortune of well placed individuals in the Government, or a religio-political movement to fight for a whole range of economic, social and cultural concerns within an occasionally accommodating but essentially alien power structure. Even if the land title situation had been better for Maori, even if development finance had been available, the structure in which Maori would have had to compete in order to achieve a favourable economic outcome was slanted in favour of very vigorous Pakeha competitors. This integration of a range of factors working to enhance Pakeha economic prospects, when in competition with Maori, from the 1880s onwards in the Whanganui inquiry district, provides the key to understanding the poor economic performance of Whanganui Maori.

Some government assistance for Maori farming occurred with Morikau farm, the only vested land not leased to Europeans.[142] Despite some initial hopes: 'The success of the farm was thwarted to a large degree through the lack of finance and equipment and a lack of experience on the part of the Maori workers'.[143] As noted by Rose, the Land Board's administration of Morikau farm was an exceptional instance of government assistance in Maori land development, but a lack of funds still hampered development.[144] In passing, lack of appropriate farming knowledge was explicitly identified as a problem by the manager of Morikau farm when asked to comment on stock losses sustained by Maori farmers in a neighbouring area.[145] Whanganui Maori faced multiple problems therefore: sometimes lack of finance, sometimes lack of knowledge, sometimes both among other obstacles.

Rose discusses the limited opportunity of Whanganui Maori to pursue sheep farming profitably and the obstacles that made this so.[146] Sheep farming was likely to be more successful on good quality land, most of which was in Pakeha hands by the 1920s. With poorer quality land, the ability to access finance for profitable farming was crucial. This by itself was not sufficient as Pakeha farming also struggled in the difficult conditions of

[142] Covered in Walzl, 'Whanganui Lands', pp 297-323; Rose, 'Whanganui Maori and the Crown: socio-economic issues', pp 175, 309-312; and Stevens, 'Socio-economic consequences', pp 132-133
[143] Stevens, 'Socio-economic consequences', p. 132
[144] Rose, 'Whanganui Maori and the Crown: socio-economic issues', p. 175
[145] G. Piper to the Registrar, Aotea Maori Land Court (letter), 7 November 1927, MA 1/1927/390, National Archives, Wellington

the inner Whanganui district. Nevertheless the absence of any easy access to finance could not have but hampered Maori attempts to farm successfully and competitively. Commercial farming is driven, if it is to succeed, by hard commercial imperatives. Successful farmers who can produce for markets profitably will outperform those who cannot.

While the milling of timber boomed, in particular from the period 1920 to 1924 when fifty mills were operating within an eight-mile radius of Raetihi and Ohakune, employment opportunities as labourers existed for Whanganui Maori.[147] The extent of this employment is not easy to quantify. Furthermore, it is also possible that the employment prospects acted to attract non-Whanganui Maori to the area, quite apart from Pakeha labourers, thus decreasing the immediate benefit to Whanganui Maori. The main profits from this essentially extractive industry accrued to mill owners, and no evidence has been located to suggest that Whanganui Maori were in this class. Milling declined after 1925, thus reducing employment opportunities, a situation made worse by the depression.

Another commercial opportunity developed in the wake of milling was commercial vegetable growing, developed by Chinese entrepreneurs from the 1920s. Some Whanganui Maori become involved, even to the point of dependence, but again mainly as casual labourers. This particular initiative was not indicative of any developmental opportunity for Whanganui Maori, but rather allowed further exercise of their role as rural proletariat:

> Wanganui: There was a total of eleven Chinese gardens in this district, on all of which Maori labour is employed from time to time. There is a small number of Maoris permanently employed, but during the busy periods the number employed would be considerable.[…] It was evident to the Committee that quite a considerable number of Maori are employed on the gardens in the district from

[146] Rose, 'Whanganui Maori and the Crown: socio-economic issues', pp 315-318
[147] Ministry of Works, *Wanganui Region*, p. 140

> Otaki to Wanganui in a casual capacity, and in the latter place quite a number of these workers are the overflow from the Ratana pa, who appear to have no other visible means of sustenance.[148]

In the development of settled farming, or an extractive industry such as milling, or new commercial initiatives such as commercial vegetable growing, the place of Whanganui Maori seemed fixed into a subordinate, labouring, ancillary position. The economic dynamism of other groups, whether Pakeha or Chinese, was also linked to another difference between Whanganui Maori and these other groups. When referring to Whanganui Maori, what is being described is a small subset of local people within the Whanganui inquiry district. The difficult economic circumstances for Maori in the Whanganui inquiry district naturally did not attract inward Maori migration, except perhaps in the milling boom of the 1920s, and prior to that for work on the Main Trunk Line. These activities did not lead to migration on a permanent base into the Whanganui district by other Maori, as economic opportunity where it may have existed, was transitory. Throughout the same period of time, Pakeha were being replenished by Pakeha, so that as some Pakeha failed in farming or other ventures, or moved to other better opportunities in other parts of New Zealand, new Pakeha farmers and entrepreneurs arrived to take up the struggle to create profitable ventures. New skills, new energies, and new expectations constantly drove Pakeha economic ambitions in the Whanganui inquiry district, with no equivalent counterpart among Whanganui Maori.

For Whanganui Maori, the land had been and was home, and the source of cultural sustenance and identity, whereas for Pakeha, the land was primarily a challenge and opportunity to be shaped into a profitable venture through which one may live one's life in dignity and respect. For Maori to develop the land and compete with Pakeha with any chance of success, they would have to adopt a similarly commercial approach to the land which, although not impossible to do, created a cultural tension for which there was no corresponding Pakeha equivalent (at least until the environmental movements of the late twentieth century). Precisely as their land base decreased however, the need for

[148] *AJHR*, 1929, G-11, 'Employment of Maoris on Market Gardens', p. 2

Whanganui Maori to develop sustainable economic uses for the land would have increased, but now on land of poorer quality and of a higher cultural significance as the last remaining lands of Whanganui Maori.

There was a permanent cultural and economic collision here for Whanganui Maori that had no parallel among Pakeha. Pakeha in the Whanganui district were becoming more commercially organised, more diverse, more integrated into the wider New Zealand and international economy, and politically more able, through local bodies, councils, and agencies, to invest their monies in further cultural, social and infrastructure expansion, of which Wanganui town was the primary expression. No such building programme, or social and cultural expression, occurred for Whanganui Maori after 1880.

A combination of factors, such as access to finance, familiarity with the markets, farming expertise, links with other commercial bodies through whom one might arrange term payments for vital equipment, successful lobbying for roads, an uncluttered commercial approach to land use, and some savings to survive across lean periods, all have some bearing on why some commercial enterprises survived, even prospered, and others did not. On nearly all these counts, Whanganui Maori faced obstacles that Pakeha usually had some hope of surmounting if they even faced them in the first place. It was precisely the recognition of this fact that made the land development schemes for Whanganui Maori land attractive as a means to escape entrenched disadvantage. These schemes also assumed that the economic future for Whanganui Maori lay on the land.

Chapter Five – Uneven and Combined Development 1931-2000

This chapter draws together Pakeha and Whanganui Maori economic experience in the Whanganui inquiry district. This is not to suggest that the economic situation of Pakeha and Whanganui Maori was not still substantially different, but in one respect, namely location, Pakeha and Whanganui Maori were brought together through the process of urbanisation. The urbanisation of Whanganui Maori was a radical economic change for them, both in terms of opportunities and economic development. Economic forces had propelled Whanganui Maori and Pakeha apart to 1930, taking them into quite different physical, social, political, economic and cultural spaces. Economic forces were to bring them together from the 1930s onwards, posing a new set of challenges for social, political and cultural positioning. The Government and the local district Pakeha were obliged to react to Whanganui Maori differently, given their different economic position, including reacting to the problems that this changed condition presented for Whanganui Maori. This chapter explores, after a general New Zealand overview, some aspects of economic change in the Whanganui inquiry district for Pakeha and Whanganui Maori and its implications.

New Zealand to 2000

The broad New Zealand economic story to 2000 is briefly summarised here, to set the context and establish some of the economic restraints under which the local Whanganui district economy was obliged to operate.[149] In 1929, a major part of the world economy, in particular New Zealand's chief trading partner Britain, entered a period known now as the Depression. This brought on an economic crisis for New Zealand, where the value of the country's exports fell 40 percent in three years. In response, government expenditure was cut, and unemployment rose to unprecedented levels. At the 1932 imperial conference in Ottawa, Britain abandoned free trade, although New Zealand exports to Britain were largely unaffected by this decision.

[149] As in previous overviews, the general sources relied on included Hawke, *The Making of New Zealand: An Economic History*; Easton, *In Stormy Seas*; Belich, *Paradise Reforged*; King, *The Penguin History of New Zealand*; and Rice (ed.), *The Oxford History of New Zealand*

Export prices began to climb in 1934 as world demand recovered. The Labour government, elected in 1935, increased government spending, initiating state house building and public works programmes. Labour's policies reflected the emerging power of urban areas and a rising industrial and sophisticated service labour force. New Zealand began a long economic expansion, which continued through the Second World War, faltered slightly in the late 1940s, then resumed until struck by new challenges in the late 1960s. Real GDP per capita rose at a higher rate than previously. This was the age of the managed economy, or Keynesian economics, with government spending being an important tool of economic policy.[150]

During the war, farmers had the benefit of virtually guaranteed export prices, with most of their produce being commandeered by the British government on arrival in Britain. Post-war innovations in farming that either lifted production or increased efficiency included aerial topdressing and herringbone milking sheds. Meanwhile, New Zealand's manufacturing grew. In 1938, the Labour government supplemented the use of tariffs with import licensing. Importers could obtain licences to bring in equipment or crude materials, but licences to bring in finished products were strictly limited. Subsequent developments in manufacturing were not simply confined to consumer industries, as developments occurred in sawmilling, pulp and paper making, steel, oil refining, and aluminium smelting. Yet, by the 1960s, primary products still accounted for most of the country's exports.

These developments had implications for the social bases of the two main political parties, National and Labour, from the late 1930s. As Easton notes: '…National the party of the countryside and the farmer with support from urban commerce; Labour the party of the city and the industrial worker, with a component of the poor rural worker. But they did not differ greatly on the general direction the economy should follow'.[151] Depending on where Maori generally sat economically, Maori would be more likely to be drawn to one party rather than another, but no party would express their economic interests

[150] Easton, *In Stormy Seas*, pp 46-48
[151] Easton, *In Stormy Seas*, pp 46-47

exclusively, given the competing components. Support for a common direction on economic policy by the two main political parties sprang from the 'two-legged' interdependence of the economic structure. 'The rural pastoral farm leg earned foreign exchange for importing and debt servicing, while the urban industrial leg used imports to produce goods and services for the domestic economy, creating jobs for those whom the pastoral sector and its satellites could not employ directly.'[152] When this structure came under pressure, it was forced to adjust.

From the 1960s onwards, the New Zealand economy sustained a succession of continuous shocks. In December 1966, wool prices collapsed and the Wool Commission ended up buying over a third of the season's clip to ensure a payout for farmers. Wool prices began a steady decline as competition from synthetic fibres advanced. In 1973 Britain joined the EEC, and New Zealand's meat and dairy exports to European countries became subject to quota limits. The days of an almost guaranteed market were over, and New Zealand was forced to both search for new overseas markets and to diversify its exports to exploit new markets, something it achieved with remarkable success.[153] Other external shocks included the oil price hikes of 1973 and 1978, the 1987 sharemarket crash, the sharp global recession of the early 1990s and the Asian crisis of 1998, all of which highlighted still further New Zealand's vulnerability within a not always stable and highly competitive world economy.

The combination of these external shocks, the loss of market security with Britain and the need to adjust for changed international markets, contributed to New Zealand moving from being one of the richest countries in the OECD in the 1960s to one of the poorest in the 1990s. This is due largely to the structure of the New Zealand economy within a world of changing expectations. Since the 1960s leading to 2000, the world has seen a strong growth in exports of manufactures, and slower growth in exports of primary products, an economic direction that has affected New Zealand's growth. While growth in New Zealand's manufactured exports has been similar to growth in the world's

[152] Easton, *In Stormy Seas*, p. 47
[153] Easton, *In Stormy Seas*, p. 48

manufactured exports, the small size of New Zealand manufacturing limits advantages to be gained. Even with effects of globalisation, which include the increased mobility of capital, large manufacturers are unlikely to establish new plants in a small economy located far from most of the world's major markets.

New Zealand is forced to focus on that area where it holds comparative advantage, namely the production of primary products, but this reliance poses some problems for economic growth and profitability. Despite New Zealand's best efforts to market primary products, most developed countries protect their own agricultural sectors, usually in the context of policies that aim to produce security of supply in food, and because of successful lobbying by local agricultural producers. Further, a feature of economic development has been that, as incomes rise, the demand for food stuffs increases but limits are reached sooner than in the case of manufactured goods where demand is less inhibited. As long as growth in global demand for agricultural products remains lower than demand for manufactured goods than countries that rely on primary product exports such as New Zealand will experience slower growth. Should this trend change, then one would expect to see New Zealand's primary sector expand accordingly.

There have been no obvious solutions to New Zealand's economic problems, although governments since the 1960s have tried some drastic approaches. These have ranged from Robert Muldoon's 'Think Big' and tight regulation, to Roger Douglas's deregulation and privatisation. Unfortunately, New Zealand's problem is largely related to its economic structure, and this structure is likely to change only slowly. The broad context for the Whanganui inquiry district therefore is that New Zealand moved from crisis in the early 1930s, to a long period of government managed growth on the back of secure markets and good prices for primary products, to a period finally of economic uncertainty, experimentation with new options and reduced or uneven prosperity.

Whanganui District

Wanganui

As the biggest and essentially the only substantial urban concentration within the Whanganui inquiry district, the economic fortunes of the city of Wanganui had a crucial impact on the whole district. As Wanganui grew, attracting further population and investment so would the hinterland of Whanganui district grow. Wanganui's growth was dependent both on its own success as a competitive port and distributive centre, and the economic profitability of its hinterland for generating exports. If both factors were to thrive, then in a positive economic feedback loop, Wanganui would develop further, as would the hinterland in support of that development, which would in turn fuel Wanganui growth. Unfortunately, problems already identifiable concerning both the port and the hinterland worsened over the next period, although the general prosperity of New Zealand to the 1970s hid some of the effects of this decline. As the figure below concerning population growth indicates, Wanganui was set on a path of steady decline compared to cities it had once surpassed.

Table 1: Wanganui Population Growth in relation to Hamilton, New Plymouth and Palmerston North[154]

	1911 Population (i)	1936 Population	1961 Population	1996 Population
Wanganui	14,702	25,750	35,694	41,097
Hamilton	3,542	20,096	50,505	158,046
New Plymouth	5,238	18,597	32,387	48,870
Palmerston North	10,991	24,372	43,185	73,860

(i) excludes Maori

The decline of the port of Wanganui can be attributed to the interaction of a variety of factors. The relative importance of the port in its early days was due to the virtual absence of inland transport networks and to the availability of a comparatively good shipping access, based on the Whanganui river, enabling the servicing of a wide hinterland. Over time the development of ports vying for a portion of the same trade,

[154] *New Zealand Official Year Book 2000*, p. 95

specifically the port of Taranaki and, to a lesser extent, the port of Napier, steadily diminished the port of Wanganui's hinterland and consequently its trade. To some extent, these difficulties were masked by the boom in the extractive industry of forestry, which lasted until the end of the 1920s, and in the process cleared the path for the attempted development of extensive farming. These points have been covered in preceding chapters.

However, the most important factor in the early erosion of the port's trade was the development of New Zealand's rail networks and later the emergence of road haulage. In general, the evolution of transport and communications, as noted in the introduction, is a continuous destabilising and dynamic influence on economic development. Businesses, industries, indeed whole regions and countries can suddenly become competitive following transport and communication developments. Needless to say, other competing entities may become less competitive. Overcoming environmental challenges throughout the nineteenth and twentieth centuries to transport and communication had important consequences for Whanganui inquiry district development. Very simply, many once thriving local businesses, for example, the brewer, the baker and the candlestick maker were all protected to a considerable degree from competition in local markets by the high cost of transport. As these factors developed and improved, so many local industries and services lost their local protections and monopoly privileges. They were forced into competition with producers in other locations, at first relatively close by and then with producers further away. Also particular forms of transport and communication were themselves, as competitive commercial enterprises, in competition with other forms of transport and communication. Sometimes state policies gave further advantages to one form of transport over another, depending on how successfully influence was brought to bear on government. Some of the implications of this are drawn out in this chapter but more immediately, for Wanganui, this competitive capitalist dynamic played itself out in the struggle between rail and land transport versus sea transport.

Apart from the general downturn in trade caused by the Depression, Wanganui confronted two other developments, which were to have a significant long-term effect on

Wanganui's economic future.[155] The first of these was the policy of shipping centralisation as desired by the overseas shipping companies. As part of the context for what was to come, Wanganui had been quite successful in the 1920s in picking up the dairy trade from as far afield as Dannevirke and the Manawatu. This led to an increase in trade, which was competitively resisted by Wellington to the extent that Wellington promoted shipping centralisation by private shipping companies precisely to undercut Wanganui. In this competitive endeavour, Wellington was successful, as shipping companies changed the rules so that the shipping of dairy produce became prohibitive for Wanganui to the benefit of Wellington. Despite strong protest, Wanganui's dairy export trade underwent considerable loss:

> The effect of the loss to Wanganui was considerable. The peak year for dairy export was 1928-29, when 21,000 tons of butter and cheese were exported. By 1932-33 this had dropped to 8,000 tons, and there followed a steep decline throughout the 1930s as, without the amount of business going through the cool stores, rates were increased and trade was lost. By 1939 there was only a little over 6,000 tons exported.[156]

The second development to affect Wanganui as a distributing centre was the reduction of railway freight charges. Of course Wanganui was ideally suited as a distributing centre as long as goods travelled by sea. As soon as railway freight became cheaper two major sources of trade were affected. First, those goods transhipped at Wellington came by rail instead. Secondly, primary producers in marginal areas railed their produce to Wellington instead of Wanganui. Cheap railway freight, therefore, had the effect of placing Wanganui on a secondary line of communication for this trade, instead of on a major line, as when goods went by sea. From the 1930s, the Railways Department reduced freight costs in direct competition with ports such as Wanganui to capture as much trade as possible. A variety of other techniques were employed such as the Truck and Flat rate

[155] Information about Wanganui port to the 1960s is drawn from S.M. King, 'The Port of Wanganui and its Influence on the City of Wanganui', (MA, Victoria University,1964), chaps 7-9; and Ministry of Works, *Wanganui Region*, chap 14

[156] King, 'The Port of Wanganui', p. 67. The complete story is told in King, pp 61-67

systems, all of which had the effect of making the use of rail more economically compelling for producers Wanganui port was hoping to attract and maintain.[157]

Despite protest, the bulk of Manawatu and Dannevirke trade was lost, which entailed Wanganui losing its role as the distributing centre for a wide area. Strictly speaking, despite economic improvements in the district from the 1950s, Wanganui port has never recovered from these setbacks. On the contrary, more challenges were to come.

Two further factors have almost stifled port trade from the 1970s and 1980s. The first, the introduction of the Cook Strait ferry service between Wellington and Picton incorporating four vessels (introduced in 1962, 1966, 1972 and 1974), together with an expansion of maritime disputes and increasingly outmoded cargo handling on conventional ships, saw the almost total elimination of coastal shipping to secondary ports (bulk cargoes excepted). The second factor, containerisation, has seen international trade progressively concentrating and channelling containerable freight through container ports. Related to this factor has been the technological advance toward larger ships with more sophisticated handling techniques enabling a quicker turnaround and hence a reduction in calls at secondary ports.[158] These various developments in improved and larger technology, and competition with other regions and businesses for shipping, road and rail advantages saw Wanganui port consistently lose out from the 1930s to more successful competitors. This loss could not but reduce the economic opportunities of the Whanganui district, unless they could in some way be matched by some economic development elsewhere in the district.

Hinterland developments

The low prices for agricultural produce during the 1930s accentuated the problems of the hill country and reversion reached a peak during this period. The hill farmer was forced to forego costly subdivision and cattle stocking and to rely on burning to control

[157] Again, the full story of this is told in King, 'The Port of Wanganui', pp 57-67

[158] R. Higham, I. Rae, B. Rush and B. Wheeler, 'Wanganui Port: The Value of Port Services to The Wanganui Region', Report for the Wanganui Regional Development Council, (Otago University,1982), pp 8-15

secondary growth. Weed infestation was increased, the soil was exposed to the insidious effects of sheet erosion and ultimately this developed into wholesale slumping and slipping. The constant use of fire to control scrub and fern was seen by Taylor as the greatest single factor contributing to soil erosion in the area.[159] Furthermore, there were some steep slopes, which should never have had the forest cover removed since it was the only possible permanent vegetative cover.[160]

Economic advance was hard and slow, particularly in some parts of the district. As regards Waitotara county, County Engineer from January 1953 to 1968, Jack Tiffen recalled:

> Prior to the war, there was not a great deal of sealing done anywhere in this area and during the war years there was, of course, practically none and after the war there was a period when the Government was conserving its resources and it wasn't in fact until approximately 1950 that they really started spending large sums of money again on sealing works. The roads had deteriorated a great deal during those years [1939-1945], and unfortunately during the early 20's the roads had been formed of metal and pretty well nothing put on them since. …There was considerable trouble getting in and out of some areas. […] Bridges at the time when I came to the County were in a very poor state. [161]

The challenges for commercial development were obvious, but the serious costs involved had delayed any effective response in overcoming them. Only with government assistance could development really occur:

> We had first of all the period before the war when farmers had to find most of the money for maintaining roads, then we had the war period when nothing much could be done. After that, we had a period when it was very hard to get petrol or those sort of things to carry out works, and soon after that when the Government did make money available, it took a long time afterwards for local authorities to

[159] N. Taylor, 'Land deterioration in the heavier rainfall districts of New Zealand' p. 657
[160] K.B. Cumberland, *Soil Erosion in New Zealand: A Geographical Reconnaissance*, (Wellington, 1944), p. 44. Detailed examples of soil erosion in the Whanganui and Taranaki hill country are given on pp 31-44.

> be able to build up sufficient plant to undertake the construction works. So, it was a delay not so much because of finance but because of the antecedent conditions. Once we did start a tremendous amount of work was done in the short period of about three or four years.[162]

Technological advances after the Second World War led to the recovery of much land that had reverted.[163] Crawler tractors, giant discs and the use of 245T hormone sprays helped defeat gorse and unwanted secondary growth, while raising productivity. External factors such as the boom in wool and mutton prices in the early 1950s briefly stimulated growth. Practices recommended in the Deteriorated Lands Commission Report of 1925 were actively implemented, including the extensive grazing of cattle and the sowing of more appropriate grasses, as well as aerial topdressing. Fencing material could be delivered by plane or helicopter.

Nevertheless much of this apparent productivity, when compared to the rest of New Zealand, can be seen more as a holding action. 'Within the farming industry major changes took place, including an intensification of sheep farming on the coastal lands, but overall there was a virtual stagnation of sheep farming income and only slow growth of sheep farming numbers in the region.'[164] Despite a swing to beef production, primary production did not grow at the same rate as in other regions of New Zealand, leading to a decline in employment in this sector. While this could be partially explained by the merging and mechanisation of farming, a phenomenon occurring throughout New Zealand, '…a more important factor has been the abandonment of farms in the region'.[165]

During the 1960s, serious consideration was given to building at least three dams in the Whanganui district, at Kaiwhaiki, Atene and Parakino. Apart from the contribution such construction would have made to the national grid, and general New Zealand economic

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[161] P. Melody (ed.), *Bush, People and Pasture: the Story of Waitotara County*, (Christchurch,1998), pp 367-368
[162] Melody , *Bush, People and Pasture: the Story of Waitotara County*, pp 368-369
[163] Ministry of Works, *Wanganui Region*, chap 5
[164] Ministry of Works, *Wanganui Region*, p. 88
[165] Ministry of Works, *Wanganui Region,* p. 88

development, these projects would have brought increased employment, spending and investment to the district. From this perspective of economic reasoning, these projects may have offered a way for the district to overcome its economic unattractiveness. Social and cultural considerations, as well as technical doubts about the feasibility of dam construction, led to the abandonment of the project.[166]

The economic situation did not improve in the 1970s for many hill country farmers as costs rose faster that the prices received for products. The difficulties this caused were revealed in a Massey University survey carried out on social aspects of hill country farming in the Mangamahu Valley.[167] The majority of those interviewed expressed '…a pessimistic short term outlook for sheep-beef farming in the hill country'.[168] Factors contributing to this pessimistic outlook included the land prices, which bore no relation to productive capacity, difficulties in employing permanent labour, the state of the roads, the phone services and the limited social life. Significant areas of the Whanganui inquiry district remain difficult to farm viably, a fact that initial settler enthusiasm may have ignored in trying to overcome the environment, but which has remained as a constant element in any consideration of land use capacity in Whanganui inquiry district.

> The very high cost of access to parts of the hill country due to terrain, high rainfall, soft basement rocks, slips, narrow gorges, bridging and flooding, and low rate of utilisation is a major qualification to the economics of any use. When roading maintenance costs, let alone improvements, cannot be met from revenue, the productivity of the land and its relationship to the cost of roading are in question. Patea, Waitotara, and Wanganui Counties face this difficult problem. In Waimarino County the worst areas have been abandoned and access is not maintained.[169]

[166] Voelkerling and Stewart, *From Sand to Papa*, p. 225
[167] P.F. Kaplan et al, 'Social aspects of productivity: hill country sheep-beef farms in the Mangamahu Valley, (Massey University, 1978)
[168] Kaplan et al, 'Social aspects of productivity', p. 3
[169] Ministry of Works, *Wanganui Region*, p. 65

While there was this slow growth in primary industry in the Whanganui inquiry district, secondary and tertiary industry has grown somewhat faster since the 1960s, leading to a concentration of population in the main urban areas and a decline in rural servicing areas. For much of the twentieth century, Ohakune, Raetihi and Taumarunui have existed as static or slowly declining service centres, after the initial optimistic thrust of their foundations. Efforts to overcome this marginalisation within a changed economic environment confront the lack of employment opportunities for young people, a shifting labour force, and the challenge of attracting inward investment sufficient to promote real growth. Exotic forestry and horticulture, while likely to play a significant role in ensuring that the Whanganui district retains some prospect of economic development, do not offer sufficient employment prospects to sustain real hinterland growth. Access to markets, and development costs, will always confront Whanganui district economic initiatives.[170]

From the 1980s, the whole notion of large scale capital investment to develop marginal lands was coming under fire, and from 1985, the Labour government proceeded to phase out forms of farming assistance and various subsidies like those on fertilisers and sprays. The removal of these forms of assistance, in an already difficult physical environment, coupled with high interest rates and falling prices, made viable farming even more challenging in the Whanganui district. Some degree of diversification occurred with kiwifruit farms, goat farming, and an attempt to expand horticulture,[171] but farming in the Whanganui district generally remains a challenging occupation, though rewarding for some, employing only a small proportion of the overall working population of the district.

Whanganui Maori in the Whanganui district economy

Whanganui Maori found themselves by 1930 and onwards in a national and local economy that was adapting and changing to conditions over which it had limited control. This was especially the case for the local economy, for reasons outlined. Whanganui

[170] Ministry of Works, *Wanganui Region*, p. 138 and 149

Maori were economically marginal within that economy by 1930, and were very different from the dominant Pakeha components through whom the struggle to maintain growth and economic development in the district was largely determined. At this point, some of the major differences between Pakeha and Whanganui Maori can be outlined.

1. Pakeha and Whanganui Maori populations are very different in number, with Pakeha outnumbering Whanganui Maori substantially. In 1891, the Whanganui Maori population stood at 2042, and had increased to 4597 by 1945.[172] On the other hand, the population of Wanganui alone in 1886 comprised 4901 Pakeha, which had risen dramatically in comparison with Whanganui Maori figures to 14,702 Pakeha by 1911.[173]
2. Pakeha and Whanganui Maori are concentrated in different parts of the district, essentially Pakeha are found near the coast and or in urban areas, while Whanganui Maori are found inland and along the Whanganui river.
3. The occupations of Whanganui Maori and Pakeha are very different, with Whanganui Maori largely surviving by a combination of subsistence living and seasonal, casual work, while Pakeha largely comprise those integrated into the market economy of the district as self-employed, or wage and salary earners.
4. Whanganui Maori are locally based so their self-understanding is related to their location as people of this district. While Pakeha live in the district, the term Whanganui Pakeha does not have the same resonance as Whanganui Maori. Pakeha is a capacious general term for a people who may be located in the district but who can move in and out as opportunities present themselves or diminish.
5. Pakeha in the Whanganui inquiry district work within Pakeha institutions of local government and business that they have created themselves, and with which they are intimately familiar. No such structures of equivalent familiarity or value exist for Whanganui Maori.

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[171] Voelkerling and Stewart, *From Sand to Papa*, p. 204
[172] Innes, 'Maori population trends', p. 18. This report is an excellent source of population statistics for Whanganui Maori between 1880 and 1945.
[173] *New Zealand Official Year Book 2000*, p. 95

6. Historically, Pakeha living in the Whanganui district have never had to undergo the massive process of land conversion entailed by the Native land court or adapt to completely different and alien social, cultural and economic processes, under the aegis of an alien central authority, the Crown. A particular set of legal and administrative regimes that arose out of this experience do not apply to Pakeha as a consequence.
7. While the locational and class differences between Pakeha and Whanganui Maori may not have contributed to a great deal of intermarriage, the disparity in numbers and economic power between Pakeha and Whanganui Maori would perhaps have given more economic weight to Whanganui Maori marriage to Pakeha in terms of access to the Pakeha world of greater economic opportunity. Little general economic incentive would encourage Pakeha to marry Whanganui Maori. This point is speculative since no research has been conducted for this report on intermarriage between Pakeha and Whanganui Maori.
8. Related to point 2 is the fact that Pakeha are essentially an urbanised people and are familiar therefore with the urban world, whereas Maori are a rurally based people, for whom urbanisation would be another massive economic and social upheaval.
9. Related to points 5 and 6 is the fact that cultural and social ignorance by Whanganui Maori of Pakeha ways is likely to have negative impacts on their ability to engage effectively within a Pakeha controlled system. No such pressure extends generally to Pakeha, except where they may wish to be particularly culturally sensitive.
10. Consistently poorer health, education, housing and employment among Whanganui Maori.
11. Finally, and in many ways as a consequence of the above points, Pakeha ways and values are the norm against which other standards or systems are judged. Economic development along particular Pakeha monitored lines establishes the standard for economic development. Maori economic development and its effectiveness are judged as successful when compatible with those standards and inefficient when not. Distinctive Maori factors are likely to be seen as problematic, since they have no place in the ‘normal’ understanding of economic development.

Where economic advantages can accrue as a result of these differences, then differences between Pakeha and Maori will be expressed through different economic outcomes. Where Maori and Pakeha differ in economic outcomes, the government must approach them differently on a whole range of issues and needs, apart from whether it is trying to reduce economic disparity. Where the government tries to reduce economic disparity, it may not be able to overcome all obstacles to economic equivalence between social groups owing to the recalcitrance of at least some of the factors mentioned in the above list. Economic disparity may even be a price for distinctiveness, for example choosing to live in the Whanganui inquiry district when better economic opportunities exist elsewhere. Pakeha have culturally and socially less difficulty in relocating than perhaps Whanganui Maori do. If so, when considered purely on economic terms, this is an economic advantage for Pakeha. Whatever developments occurred in the district after 1930, most of these differentiating points would continue to influence and determine different economic outcomes between Whanganui Maori and Pakeha.

Given these differences, some of which the Government directly produced and controlled through processes such as the Native Land Court and Maori land administration regimes, the understanding the Government had of Maori, including their economic situation, becomes an important component in understanding Maori economic development. Of course, a particular government understanding may not determine an economic outcome, as other factors are involved in influencing outcomes, as mentioned. Furthermore, even if the Government understands something to be the case concerning a particular interest group in society, or is informed that a particular group believes something about itself, such knowledge does not always lead to outcomes desired by the group. For example, the Government in the early twentieth century was aware that certain occupations were unhappy about their wages and working conditions. This knowledge still meant that trade unions and eventually a labour party had to develop to represent those interests more effectively against other interests in the political and economic system less open to change in this area. The Government is an agent of change, but it is also an instrument of change, open to manipulation by interest groups able to wield the instrument legitimately in their favour.

More concretely for this report, the governments of New Zealand were aware of aspects of the situation of Maori to 1930, including Whanganui Maori. This was quite apart from Maori attempts, including Whanganui Maori attempts, to engage with the Government directly over issues of concern,[174] including the political/religious Ratana movement. As noted in this report, there were regular reports by officials recorded in the AJHRs. Regular commissions of inquiry investigated aspects of Maori life and the impact of Pakeha society, including government legislation and policy on that life. These included the Rees-Carroll Commission, the Stout-Ngata Commission with a specific section related to Whanganui district with recommendations, major Native Land legislation reform in 1891, 1909 and 1931 as well as a host of minor amendments over time. There was also a specific section of government concerned with native affairs, which in some shape or form has been a consistent element in New Zealand government.[175] Censuses and statistics supplied further information, but this only became more detailed and comprehensive in the twentieth century.

The Whanganui Maori the Government was viewing were themselves changing over time to 1930; from tribally based collectively organised, largely self sufficient peoples up to 1880, Whanganui Maori had become a marginalised economic force of limited number based in rural areas within a dynamic capitalist economy which allowed them the opportunity of rural proletarianism. Given that for much of the nineteenth and early twentieth century, the major aim of government intervention among Maori was to assimilate them into Pakeha society,[176] this outcome in Whanganui district might be regarded as somewhat of a failure, indeed the exact opposite of what was desired. At the very least it suggests some form of disjuncture between government aspirations for Maori and the actual outcomes as experienced by Whanganui Maori.

[174] Marr, 'Crown Impacts on Customary Authority', p. 118
[175] A. Fleras, 'Towards 'Tu Tangata': Historical Developments and Current Trends in Maori Policy and Administration', *Political Science*, 37(1), July 1985, pp 18-39
[176] A. Ward, 'A Show of Justice. Racial Amalgamation in Nineteenth Century New Zealand', (Auckland,1974)

Other factors would drive change in new directions. The situation of Whanganui Maori was an unstable and problematic development economically since, as censuses figures revealed, the countryside, particularly the Whanganui countryside, could not sustain an impoverished rural work force that was growing in size.[177] Because of their marginalised economic and social position, the Government was obliged to react to Whanganui Maori as a problem to be solved, to be integrated into the normality of general New Zealand economic life. In broad terms, the quest for the economic integration of Maori would continue to characterise Government policy for the period under review in this chapter, but the forms under which this integration were believed could take place would change, as the economic position of Whanganui changed.

By 1929, the Government could recognise that there was a problem with the integration of Maori into general Pakeha economic life, partly caused by previous government actions:

> The settlement of Native land has for many years been a vexed question, and many and varied have been the attempts to deal with it. The problem has always been a major one, and the departmental report for the year ended 31st March, 1911, drew attention to the effect the passing of the Native Land Act, 1909, as contributing to the elimination of the cry of 'unoccupied Native land'. This was accomplished, however, by the then policy of encouraging the alienation of Native lands, both to the Crown (for European settlement) and to private persons. The effect of this policy, whilst accelerating land-settlement generally, was to deprive the Native race of its lands and to create a *rentier* class of the non-sellers.[178]

Maori were judged to be an economic problem where they had insufficient lands for their needs. Where there might still be lands able to be used profitably by Maori, the arguments put forward by Ngata offered a possible solution.

[177] Innes, 'Maori Population Trends', pp 16-18 provides details of this, and the concentration of Whanganui Maori population into specific areas.
[178] *AJHR*, 1929, G-9, 'Native Department', p. 2

Development schemes and land use

Ngata summarised the problems faced by Maori nationally in developing their lands, a summary that was applicable to Whanganui district:

> Until the second decade of the present century the attempts to assist Maoris to farm their lands were sporadic and hesitating. Where the individual had been fortunate enough to obtain a freehold title to valuable land he was permitted to raise money upon mortgage, a very costly proceeding because of the safeguards and restrictions imposed by the Legislature, which regarded less the needs of the would-be Maori farmer than the supposed machinations of the designing money-lender. The mortgage was suspected as another device to wrest his land from Maori. After the advances-to-settlers legislation came into operation its resources were theoretically available to Maori landowners, but in practice, so great was the prejudice against the Native title, very few were able to secure assistance from that source. Still there was a hesitating recognition by the Legislature and financial institutions of individual cases worthy of assistance.[179]

From 1936 onwards, land development schemes became, '…the major programme for improving the economic situation of Maori'.[180] However, it became rapidly apparent that development schemes would only very partially deal with the issue of Maori employment and economic development. The Young Maori Conference in May 1939 reported that land under development could support at best only a quarter of Maori people.[181] The Government was certainly aware of this by 1948, when the Under Secretary of the Department of Maori Affairs, G. P. Sheppard informed the Director of Employment: '…while it would place a considerable number of Maoris on the land, [development schemes] would only touch a fringe of the problem. There is insufficient land in most areas, particularly in the North, to suggest that this would be a complete solution.

[179] *AJHR* 1931 G-10, p. iii
[180] C. Orange, 'A Kind of Equality: Labour and the Maori People 1935-1949', MA, Auckland University, 1977, p. 69, and continues the discussion forward to p. 77.

Moreover, the marginal lands could only be economically developed by the use of machinery employing relatively few people'.[182] This latter point was extremely important, as farming in New Zealand was and is capital intensive even without the cost of breaking in marginal land. While it was theoretically possible to employ large numbers of people on the land, such a course of action was not economically feasible in New Zealand.

While this option of development schemes would not help to ensure an economic future for Whanganui Maori in general on the land, a number of small development schemes were established, which are covered in other reports for this inquiry.[183] This report briefly makes the following points concerning some aspects of these schemes in the Whanganui district.

The Ranana scheme, to take one local Whanganui district example, has been covered in other reports as noted, but the point to be emphasised for this report was the difficulty Maori had in obtaining a decent return from their involvement. As was noted by a student of public health who visited the district in 1933:

> Under this scheme the Maori does not own the land he is occupying which is a mixed blessing. It had this advantage that he cannot have his land taken from him; he cannot sell it if he so desires. The disadvantage is that with the present prices the butter fat cheques are disappointingly small and some of the Maoris with no interest in the land which they do not belong saddled with a burden of debt not of their own choosing lose heart and desert their farms for some easier employment.[184]

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[181] *Report of the Young Maori Council held at Auckland University College May 22-26 1939*, Auckland, 1939, p. 12

[182] L 1 30/1/28, part 4, cited in Rose, 'Whanganui Maori and the Crown: socio-economic issues', p. 430

[183] Stevens, 'Socio-economic consequences', pp134-138; D. Tuuta, "Something Definite Must Be Done" The Ranana Development Scheme 1930-1962' in A. Gould, 'Maori Land Development 1929-1954: An Introductory Overview with Representative Case Studies', CFRT, June 1996; T. Walzl, 'Whanganui Lands', pp 565-701; K Rose, 'Whanganui Maori: socio-economic issues' pp 319-320, and pp 488-493

Admittedly, this observation was made at the height of the depression when agricultural prices were particularly unfavourable, nevertheless, when prices rose, there does not seem to have been a corresponding rise in the rate of return for Maori in this scheme. This suggests that the fault lay with the conception and running of the scheme rather than the external market, and this indeed was the finding of a report on the Ranana scheme made in 1953.[185] Issues with the running of the schemes are covered in other reports as noted, but a broader question concerned their feasibility in providing for a viable Whanganui Maori economic future on the land.

The major change that occurred over the lifetime of the schemes was the limiting of expectations. As part of Ngata's vision, it was hoped these schemes would become a major vehicle through which Maori economic development could proceed, and cultural and social values safeguarded. However, as Rose notes, 'Development schemes provided a vital source of employment during the depression, but they did not provide the platform for long-term development and prosperity that Ngata had hoped.'[186]

The changing economic environment with more capital intensive farming and urbanisation, and the growing Maori population, meant that such hopes could not be fulfilled through land schemes. Land schemes do offer however a series of mini case studies on government/ Maori relations, which demonstrate a tension between a Government desire for the schemes to be viable and concern for control to that end, and Maori concern that the schemes make some form of adequate return under Maori direction, within a context of practical managerial challenge and debt. As a means to address the underlying economic challenges facing Whanganui Maori, land development schemes could only play a limited role.

Furthermore, the land development schemes, and their successors in the Whanganui inquiry district, namely the incorporations, in particular the Atihau-Whanganui

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[184] B.Barclay, 'A Public Health Survey of the Wanganui River Pahs and the Wanganui Maoris', Public Health dissertation, Medical Library, University of Otago, pp 111-112
[185] Walzl, 'Whanganui Lands', pp 663-666
[186] Rose, 'Whanganui Maori and the Crown: socio-economic issues', p. 319

Incorporation, formed from the amalgamation of vested lands in 1970,[187] and the Morikaunui Incorporation, shed light on how Whanganui Maori can respond when some former development obstacles are removed. Whanganui Maori, when provided with an adequate farmable land base, adequate and available finance capital, adequate resources and skills, an organisational entity such as an incorporation, opportunities to make investment decisions, and a not unfavourable general economic climate, can compete effectively. The very success of the Atihau-Whanganui Incorporation[188] indicates the conditions necessary for success and highlights further the impact on Whanganui Maori of the economic impediments they faced for so long after 1880. Whether those economic, social and political impediments could have been realistically overcome earlier in the century, especially given the lack of commercial expertise and skills among Whanganui Maori, is another question.

While incorporations and trusts may have begun to provide more economic development opportunities, they are likely to generate some tension among Maori owners. As was noted in the summary of another report: 'The legal mechanism of trusts and incorporations enables the issue of multiply-owned and fragmented title to be separated from the issue of managing the land. This does not necessarily mean that the cultural values and concerns of the Maori owners have automatically been reconciled with economic imperatives.'[189] Precisely how economic development is to take place with Maori land, given the fragmented nature of much Maori land title and the sometimes competing interests of Maori landowners, is not straightforward, but at least there is now a genuine prospect of economic development.

Maps of parts of the Whanganui inquiry district at the late 1960s

To conclude this section, a series of maps,[190] (located in appendix 2, pages 155-161), provide an insight into the Whanganui district in the late 1960s. These maps are best

[187] H. Bassett and R. Kay, 'Whanganui Vested Lands c1951-2000', (CFRT,2004), pp 102-126
[188] Bassett and Kay, 'Whanganui Vested Lands', pp 144-174; The Dominion Post, 19 April 2007, 'Protecting a Legacy'
[189] N.Bayley, L.Boulton and A.Heinz, 'Maori Land Trusts and Incorporations in the Twentieth Century in the Central North Island Inquiry District, Summary', (Waitangi Tribunal, 13 June 2005), p. 22
[190] Ministry of Works, *Wanganui Region*, Maps supplement

viewed in colour. Regrettably these maps do not include the entire inquiry district, as the region north of Waimarino up to Taumarunui is not included. Nevertheless, what the maps depict does help in understanding the shape of economic development in the Whanganui inquiry district.

The first map, concerning relief, location and communications, shows the extensive communication networks, particularly roads, that have been developed near the coast. This area of the inquiry district is flatter and has located within it the biggest urban area of the district, that is the city of Wanganui. With the exception of areas served by the Main Trunk Line, this coastal region has better access by sea, road and rail to other parts of the country than any other part of the inquiry district. Roads and rail are more limited the further inland one travels, and face greater geophysical challenges for maintenance. Maps 2 and 3 provide basic geology and soil information.

Map 4, Potential Pastoral Use of Soils, shows how the most advantageous land is located just inland from the coast beyond the sand dune area. This area is also flat, near the major urban area, and well serviced by roads and rail as noted. A major band of hilly and steep land is identified as having only slight to moderate soil limitation to pastoral use. While this land has therefore advantages for development, its location on hilly ground surrounded by less commercially useful land, with less convenient transport and communication networks, reduces the commercial gain compared to the coastal region. The areas around Raetihi and Okahune are flatter, and while more challenging than the coastal flat areas, have provided opportunities for development that led to the initial creation of this secondary area of semi-urban development. The environmental and transport challenges of the district have, nonetheless, been sufficient to preclude substantial economic development although commercial vegetable growing has flourished.

Commercial vegetable production and other forms of land use are shown in Map 5. Again, to reinforce the pattern that is emerging, the coastal areas provide the most concentrated examples of intensive sheep farming and dairying, thus taking advantage of

the flatness of the terrain, its transport and communication networks, and its proximity to a major urban area within the Whanganui district. The majority of the district, apart from the coastal region, is devoted to extensive sheep farming, with the area around Okahune and Raetihi providing another smaller hub of intensive sheep farming and market gardening.

Finally, Map 6 shows land tenure as at 1968. While there is a sizeable proportion of land identified as Maori land in the district, it is clear from the preceding maps that it is generally not located in the most favourable position for economic development. A large central section of the inquiry district is held as Maori land, in an environment where the major land use is extensive sheep farming. Maori land development schemes on the Whanganui river at Ranana have also developed dairying where the soil, as indicated in Map 4, has only slight to moderate limitations to pastoral use. The land tenure pattern demonstrates the effective purchase and use by Pakeha of the most economically productive parts of the inquiry district.

While the land remaining to Maori is considerable in quantity, its quality limits the opportunities available for its economic use, and owners face greater obstacles in the form of reduced transport and communication networks due to its location within a generally harsher terrain. These maps demonstrate how the competing economic development interests of Pakeha and Maori have impacted on land use and land tenure, with Pakeha in the better position to take advantage of economic opportunities. Some Whanganui Maori land is good quality land, or has been developed into such, but its location generally imposes costs that are likely to have been burdensome to owners, particularly individual owners. Pakeha owners in the same part of the inquiry district as Maori, with similar sorts of land, would have faced similar difficulties in that respect of course.

The Urban Transition

For many Whanganui Maori, the 1930s meant a continuation of the same rural lifestyle and challenge. Anglican sister, Sister Elsie Smith commented, in a letter dated 1931, on Maori life at Koriniti.

> Every fine day now the Maoris are very busy in their gardens, or planting potatoes. I am afraid if it had not been for potatoes and wild pig a good many of the Maoris would have practically starved. In a few weeks time most of them will get a job shearing which makes the outlook brighter.[191]

Subsistence living, augmented by seasonal wage labour, typifies this community. More generally: 'Many of the Maoris lived a subsistence existence, supplemented by seasonal work such as shearing. The construction of the River Road also provided some labouring jobs. For the most part however the Maori people relied on their own resources for food.'[192]Again, there is the problem of assessing the extent of this lifestyle, but it is remarkably difficult to find evidence suggesting that collectively Whanganui Maori were not living lives of precarious economic vulnerability, even if minimally sufficient at times.

Stevens cites[193] various sources evidencing the economic and social difficulties at Ratana pa, and some recommendations made in 1940 to encourage people to move away from the pa. However in considering this option, it was noted that the Ratana settlement provided the labour force for the 'Freezing Works at Wanganui, Local Body requirements, Railway Maintenance and seasonal agricultural requirements for the district'.[194] The standard of living at the pa did not suggest that the incomes being derived

[191] Papers of Elsie Smith, cited in Rose, 'Whanganui Maori: socio-economic issues', p. 318
[192] Voelkerling and Stewart, *From Sand to Papa*, p. 110, based on the comments of Elsie Smith, resident at Koriniti in the 1930s.
[193] Stevens, 'Socio-economic consequences', pp 115-117
[194] Stevens, 'Socio-economic consequences', pp 115-116, for reference to communication from L.J. Brooker, the Registrar of the Maori Affairs Department at Wanganui, to the Maori Affairs Secretary, (memorandum), 8 August 1950, in which a report by R.A. Shore, Acting Director of Health from 1940 is cited concerning various recommendations and observations.

from various unskilled, semi-skilled, seasonal occupations was sufficient to overcome the difficulties noted there by government officials.

The Native Department's report for 1933 set out the precarious economic position of Maori in Taumarunui, where, after most of the township leases had been sold to the Crown, '…and when the proceeds of the sale were exhausted many families found themselves in poor circumstances'. At the same time, the timber industry, which might have offered some relief, was winding down in this region, and, '…felt the full force of the depression'.[195] With the loss of their major earning asset, and the decline of the major local industry, local Maori, if they stayed, were forced back to basic subsistence, dependency and an overall poor standard of living.[196]

From evidence of this sort, it would appear that the countryside was offering less and less possibility of a viable life. Whanganui Maori were pushed into the urban environment by the inadequacy of rural opportunity, and were pulled into the urban environment as manufacturing and light industry opportunities developed from the late 1930s onwards in particular. Jobs became available in the urban areas sufficient to sustain a viable lifestyle.

Table 2: Maori Population Change by Selected Counties, Boroughs and Towns, 1945-1986[197]

Counties	1945	1951	1956	1961	1966	1971	1976	1981	1986
Waimarino	616	797	773	709	557	401	271	279	279
Waitotara	288	334	329	301	251	164	140	162	105
Wanganui	934	1124	1087	989	807	685	599	645	567
Total	1838	2255	2189	1999	1615	1250	1010	1086	951
Boroughs and Towns									
Ohakune	148	222	296	363	438	457	455	459	420
Raetihi	173	211	245	341	377	438	431	429	447
Wanganui city	472	657	808	1249	2201	2683	3521	3681	4241
Total	793	1090	1349	1953	3016	3578	4407	4569	5108
Overall Total	2631	3345	3538	3952	4631	4828	5417	5655	6059

[195] *AJHR*, 1933, G-10, p. 16
[196] Rose, 'Whanganui Maori and the Crown: socio-economic issues', p. 446
[197] New Zealand Censuses

The trends are apparent from this table, with Whanganui Maori moving out of the rural areas of the Whanganui inquiry district, and the Maori population steadily increasing in urban centres. There are similarities and differences between Whanganui Maori population movements, and general population movements in the district.

Table 3: General Population Change by Selected Counties, Boroughs and Towns, 1945-1986[198]

Counties	1945	1951	1956	1961	1966	1971	1976	1981	1986
Waimarino	3108	3488	2688	2321	1888	1583	1398	1453	1433
Waitotara	3382	3576	3496	3301	3355	2824	2869	2909	3032
Wanganui	3403	3763	3614	3505	3168	2924	2831	3205	3046
Total	9893	10827	9798	9127	8411	7331	7098	7567	7501
Boroughs and Towns									
Ohakune	1411	1621	1626	1542	1458	1418	1399	1481	1496
Raetihi	1080	1153	1186	1343	1376	1359	1219	1247	1323
Wanganui city	23842	27254	29671	33316	35629	35782	37380	37012	38084
Total	26333	30028	32483	36201	38463	38559	39998	39740	40903
Overall Total	36226	40855	42281	45328	46874	45890	47096	47307	48404

While the same pattern exists for Whanganui Maori and the general population as regards the steady decline in rural areas, even the urban areas are barely growing, with Wanganui the only real growth area (and that needs setting in context. Cf table 1). While Whanganui Maori are moving into urban centres, Pakeha are either not being attracted to the Whanganui district or are leaving it for economic opportunities elsewhere. Given the slow economic growth of the Whanganui district, compared to other regions, and evidenced by the population growth in other once comparable cities to Wanganui, this is not unexpected. Were it not for the movement of Whanganui Maori to the urban areas, the population decline in these areas, including Wanganui, would have been even more marked.

Whanganui Maori faced an immediate problem in this instance since there was really only one urban area of any significance in the Whanganui district, namely Wanganui. Other smaller urban areas, such as Taumarunui, Ohakune and Raetihi, also drew in

[198] New Zealand Censuses

Maori, as the tables and Rose show.[199] Yet Wanganui, as has already been explored, was not growing at the same rate as other urban centres and offered fewer opportunities for diverse employment, although as was the case throughout New Zealand in the 1950s and 1960s, actual unemployment was minimal. Also Whanganui district did not undertake, after much consideration, any large public works development schemes which may have offered employment in the district. Therefore, Whanganui Maori in the search for wider economic opportunity had to leave the Whanganui district.

It is not possible in this report to identify or quantify the extent that remittances sent back to Whanganui district from local Maori working in other parts of New Zealand may have stimulated the Whanganui Maori economy, but such a relationship, should it have existed, would still be one of precarious dependence. As energetic members of the community leave, taking their skills and experience to other areas, and acquiring further expertise while there, the effect on local Whanganui Maori economic initiatives is likely to have been negative. The poorer regional economy of the Whanganui district meant that Whanganui Maori were even less able to compete competitively for resources or develop economically feasible ventures, although Whanganui district certainly did develop economically post war. This situation of competitive struggle continues today. However, no matter how reduced opportunities may have been in comparison with other regions of New Zealand, urban life in the Whanganui inquiry district offered better employment prospects and the opportunity of economic improvement for a wider range of people than life in the rural areas.

Whanganui Maori did benefit from the general positive employment situation in New Zealand which lasted with minor spikes until the mid 1970s. Jobs could be found, and while the education and skills level of Whanganui Maori was less than the average in Whanganui district, ensuring lower skilled and lower paid work, nevertheless the real chance of acquiring a stable, paid job almost certainly assisted in making the urban transition less traumatic. Rose discusses surveys carried out in the 1960s, which show the high percentage of Maori in employment in Whanganui district, and the general nature of

[199] Rose, 'Whanganui Maori and the Crown: socio-economic issues', p. 504

that employment, including the decline in rural opportunities and land use for economic advancement.[200] Whanganui Maori workers clustered primarily in one area of the economy. In 1971 in the Wanganui urban area, 450 Whanganui Maori men from a working population of 576 worked within the category 'Production, Transport Equipment Operators and Labourers'; 127 Whanganui Maori women from a working population of 286 worked under the same category. In 1976 in the Wanganui urban area, 622 Whanganui Maori men from a working population of 813 worked within the category 'Production, Transport Equipment Operators and Labourers'; 146 Whanganui Maori women from a working population of 385 worked within the same category.[201] Given the previous Whanganui district economic experience of Whanganui Maori, this would be their expected location within the urban economy.

Urban occupations were not the only way Whanganui Maori urban experience was distinctive as the following long quotation demonstrates:

> The movement to and concentration of Maoris and other racial minorities in the outer suburbs (as compared with inner city concentrations in the early 1950s) are also features common to other cities and urban areas. […] A prime reason has been the construction of houses by the Ministry of Works for the Department of Maori Affairs. Under this scheme, introduced in the early 1960s and associated with the policy of 'pepper-pot' residential integration, houses were made available to Maoris (and more recently Pacific Islanders) mainly within areas of state housing development. In addition, because of their socio-economic characteristics (income levels and family size, etc), Maoris are more often than not eligible for state rental housing. The presence of Maoris (and other Polynesians) once established in a given area may attract others, especially relatives new to the city environment. Finally, there is the factor of fertility and family size, for it is well known and documented that the average number of children in Maori households is greater than for non-Maori households. Taken

[200] Rose, 'Whanganui Maori and the Crown: socio-economic issues', pp 510-512
[201] New Zealand 1971 and 1976 Censuses, 'population and dwellings'

> together, these four factors operated to produce concentrations in low-income, outer suburbs.[202]

When it came to moving to an urban environment, Whanganui Maori, despite residence in the district for hundreds of years and direct engagement with Pakeha society for over one hundred years, were at a similar disadvantage to Pacific Islanders, and exhibited similar clustering patterns when introduced to an urban environment. The initial location of Whanganui Maori within urban society emphasised their reduced socio-economic circumstances, and provided further challenges to escape from the disadvantages of such a location.

Fortunately, slums and shantytowns were not a feature of the Whanganui district urban landscape, a notable difference from so much of the world where indigenous peoples have urbanised. The fortuitous fact of economic growth and stability for a good period of time post-war, from which all New Zealanders benefited, was not obviously something specifically designed for Whanganui Maori. Yet it did offer some hope of economic advancement from the previous state of subsistence living, and Whanganui Maori took advantage of this. It also demonstrated what conditions were necessary if Whanganui Maori were to advance economically in general terms, as opposed to what certain individuals or groups within Whanganui Maori might attain. A general economic situation of growth, stability, job availability and social support definitely helps, while not of course addressing all Whanganui Maori broader cultural and social needs and aspirations.

Job availability, and the opportunity to save money and purchase more of what one required, gave Whanganui Maori some experience in what economic development might mean. However, the necessity of taking unskilled positions in urban settings where greater economic needs had to be satisfied through paid labour, meant that Whanganui Maori were particularly vulnerable to any downturn in the unskilled labour market. Urbanisation also confirmed that whatever the place of their remaining land might be in

[202] A.D. Trlin, 'Wanganui Region: Population Trends and Patterns part one 1945-1971', prepared for the Wanganui Regional Development Council, (Massey University,1978), pp 38-41

the general picture of Whanganui economic life, working on the land would never be an adequate or even feasible working career for the vast majority of Whanganui Maori.

The particularly turbulent period after 1985 further highlights the damage that can be done economically to Whanganui Maori when growth slows and employment contracts, particularly in the unskilled area. Also, as Government social and economic priorities changed, this impacted on the nature of its participation in the economy, and the extent to which the Government was actively able to assist vulnerable groups through the provision of employment:

> In the forestry, mining, communications, and transport sectors there has been a high level of government involvement/ownership, through the New Zealand Forest Service, State Coal, the communications arm of the New Zealand Post Office, New Zealand Railways [particularly important in Wanganui with significant railway workshops], and the Electricity Division of the Ministry of Energy. The commercial functions of these organisations were often in conflict with the social objective, which was to create employment, particularly in the regions. Many of the jobs were also low skill/low technology positions, and thus provided opportunities for Maori with few skills. A need to reduce government spending, plus a recognition of the need to make the business operations more internationally competitive, saw the formation of the Forestry Corporation, Coalcorp, Telecom, the Railways Corporation and Electricorp, with a corresponding shedding of labour.[203]

While governments cannot guarantee the best economic conditions for all peoples, nevertheless the historical circumstances of Whanganui Maori meant that generally they remained particularly vulnerable to instability or downturns in the economy, as well as Government policies to pull back from active participation as an employer in the economy. The following figures demonstrate the serious extent of unemployment among Whanganui Maori.

[203] P. Callister, 'Implications for Maori Development: Economic and Sectoral Trends to 1997' (New Zealand Planning Council, Wellington, 1989), p. 6

Table 4: Whanganui District and National Unemployment Rate, June 2001.[204]

Area	Unemployment Rate (total population) (%)	Unemployment Rate (Maori) (%)
Ruapehu District	8.6	16.7
Wanganui District	9.7	20.2
New Zealand	7.5	16.8

Throughout this period, the Government was always kept informed of Maori concerns, including Whanganui Maori concerns, through commissions and reports to do with land, the activities of the Maori Land Court (reviewed in 1980), legislative changes around Maori Land administration such as occurred in various acts and amendments in 1953, 1967, 1974 and 1993, parliamentary questions, and census and statistical information. There was also the Department of Maori Affairs, which developed into the Ministry of Maori Affairs or Te Puni Kokiri. Land marches, protests and the establishment of the Waitangi Tribunal all add to a list of channels through which the Government was kept informed of Maori concerns. One might think that the Government was perhaps better informed on the range of issues to do with Maori, and the competing arguments as to how best approach and address Maori issues than on many other social or economic issues. Again, of course, knowledge of issues does not necessarily translate into policies entirely agreeable to those trying to effect change.

The Hunn report[205] provides an insight into the situation of Maori in general up to 1960, and where the report believes government action should be concentrated. The following long excerpt from the report captures many aspects of its overall conclusions and beliefs about the urgency with which the Government should respond:

> 226. Full integration of the Maori people into the main stream of New Zealand life is coming to be recognised as just about the most important objective ahead of the country today. The point was brought out strongly in the editorial column of the *New Zealand Herald* on 23 May 1960, as under:

[204] New Zealand Census 2001

> ‘Maoris in a Changing Role
>
> The painless absorption of the fast-growing Maori population into the economic and social structure of the European is *the great problem* facing both races in New Zealand today… As his numbers increase, the Maori in his search for opportunity is turning from his traditional rural way of life and moving to the city. In 1945, 19.5 per cent of the Maori population lived in the towns; in 1956 this percentage had increased to 27.75, and it is still rising. Preparation for the migration has been limited and every day its need becomes more apparent. The Maori must be educated for his new role in the city, not only in his personal behaviour but also vocationally … Although various Government agencies built nearly 4,000 homes for Maori families between 1951 and 1956, the construction programme has barely kept pace with the population increase. Poor housing leads to poor health, poor family life, poor education, and poor moral health.’
>
> A similar sentiment was expressed, as follows, in a recent letter to the Department (of Maori Affairs) by Professor W.G. Minn, Head of the School of Social Science at the Victoria University of Wellington: ‘I regard the problems of Maori Welfare to be next in importance to New Zealand’s economic planning’.
>
> 227. Both these authorities were thinking of welfare in its widest sense, and that is the end to which the efforts of the whole Department (of Maori Affairs), not just one Division (Maori Welfare) are bent.[206]

Unlike the last great transition in Maori economic life when land was processed through the Native Land Court, and the attendant social, political and cultural changes that partially ensued as a result, this transition was not only recognised as rendering Maori vulnerable, but inspired a serious discussion and commitment to assist Maori in this period of vulnerability. The Hunn report comes up with various options, which entered into broader political debate, but there is no doubt of the Government’s awareness of the adverse effects of socio-economic dislocation that was occurring among Maori, and the seriousness with which it was urged to take action.

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[205] J.K. Hunn, ‘Report on the Department of Maori Affairs, with statistical supplement’, *AJHR*, 1961, G. 10
[206] ‘Hunn Report’, pp 78-79

While the Hunn report does not apply specifically to the Whanganui inquiry district, there is nothing significantly different about the economic situation of Whanganui Maori that would lead to the report's general observations not being applicable to Maori within this district. Other differences from earlier in the century were that Maori no longer possessed a significant economic asset such as land that others sought, that their 'problem' was also a Pakeha problem in that Maori were coming to live and work among Pakeha, that there was now (in 1960) a Government department with some long-term knowledge and experience of Maori economic challenges, and that Maori themselves were more experienced in dealing with Government departments. While this conjunction of elements aided in a Government recognition of problems that Maori faced and willingness to take action, the question as to how best to tackle these disadvantages, to what precise end, and the extent of Maori input and control of whatever solutions were proposed, could still be a source of discussion and debate.

Clearly at the very least, the Government was in the process of information gathering, policy formation, and responding to Maori in some form, including Whanganui Maori, which may well have given greater access to the Government of Whanganui Maori concerns than many other groups in the Whanganui inquiry district could have obtained. An informed status does not, as indicated, guarantee a desired outcome, assuming there is one clearly desired outcome, since the Government operates within a set of constraints and perceptions that determine the nature and extent of its response.

There is no point in this report in reproducing the evidence and findings of Rose's report, which sets out convincingly the general Maori economic position, the obstacles to development, and the consistently lower standard of living enjoyed by Whanganui Maori compared to Pakeha in the district. While it is true that the Government both recognised that there was a problem with the socio-economic position of Maori in the district, and tried to do something about that position, the fact is that substantial damage had already been done that was not easily rectified. The general economic position of Whanganui Maori is one of vulnerability. There is no mystery to this or why it is the case. Given this,

one might expect that policy with direct implications for Whanganui Maori would take this into account.

Regrettably the broad and particular changes introduced within the New Zealand economy by the Government in the 1980s and 1990s did not seem to have sufficiently considered the likely impact on Whanganui Maori, or if they did, insufficient safeguards were put in place to lead Whanganui Maori through what had to be a difficult transition. This could not have been through lack of information as census figures detailed clearly the rise in unemployment, apart from the direct complaint of Whanganui Maori themselves. The Government made choices from the 1980s within the international and national constraints it believed itself to be under, and these choices were not especially helpful to a significant number of Whanganui Maori.

This situation follows a pattern since 1880 where, after major economic change, the outcome consistently puts a significant number of Whanganui Maori into an economically disadvantageous and challenging state, from which they struggle to emerge and in the process become problematic to government. Not all Whanganui Maori face the same challenges, and no doubt for some there have been real opportunities opened up. Furthermore, some very positive initiatives, such as incorporations, exist to suggest that the capacity of Whanganui Maori to succeed economically on a collective basis has grown. The improved but still challenging situation as regards housing, education and health among Whanganui Maori, covered in other reports, is likely to have been enhanced by the partly improving but still vulnerable economic position of Whanganui Maori.

All of these issues have to be set in the context of population numbers and population movements in the Whanganui inquiry district. There are significant numbers of Whanganui Maori in Ruapehu administrative district, with Maori numbering 5418, or 38 percent, out of a total population of 14,292.[207] Yet the projected population change for

[207] The figures in this paragraph are taken from J. McNeill, 'Taking the Pulse: social – economic – environment. Manawatu – Wanganui Regional Profile', (Horizons Regional Council, 2004), pp 13 and 25

this district suggests a significant population decline over the next 20 years to 12,100 in total by 2021. A lessor but nevertheless steady population decline is also forecast for the Wanganui administrative district, namely from 43,269 people of whom 8,592 or 20 percent are Maori, to 41,4000 by 2021. This presents a major challenge for the economic development prospects of Whanganui Maori in this Whanganui inquiry district.

Conclusion

Within this chapter, eleven points were detailed which indicated some of the main ways in which the experience of Whanganui Maori was likely to differ from Pakeha in the Whanganui inquiry district. Consideration of these differences is crucial to understanding why there might be different economic outcomes between Whanganui Maori and Pakeha, as questions 1a and 1b of the report commission specifically request investigation. Within the context of a capitalist economy and in a region not rich in resources or opportunities, factors that disadvantage one group economically will impact on their quality of life and economic development. Between 1930 and 2000, very few of these factors have changed, but some have fundamentally. Numerically, Whanganui Maori are a larger component of the Whanganui inquiry district, but still are significantly outnumbered by Pakeha. Whanganui Maori have effectively urbanised, which puts them in the same spatial location as Pakeha. While there are still occupational differences, these occur directly within one single, urban based employment regime. Whanganui Maori are still the people of the district, although as time passes more Pakeha may feel significant cultural attachments to the region.

Political and business structures are still essentially Pakeha, although a case can be made that those structures are at least in part not so much culturally or socially specific to Pakeha as the necessary structures of functioning capitalism. The last great economic change that Whanganui Maori have undergone has been urbanisation. It is unlikely that there will be further great economic dislocations of this magnitude that would only affect Whanganui Maori. At an economic level, Whanganui Maori are significantly integrated into the local economy, but not entirely, and where they are not, this is usually to their disadvantage rather than to their advantage. Disparities in health, education, housing and

employment for Whanganui Maori in comparison to Pakeha are evidence of continuing economic disparity.

Differences remain therefore, but the changing dynamics of capitalist development, and the needs and opportunities created within the New Zealand economy over the twentieth century, have contributed to the coming together of Pakeha and Whanganui Maori in urban settings in the Whanganui inquiry district. Governments have become more obliged to address Whanganui Maori concerns more in line with how Pakeha concerns might be addressed as a consequence of this economic integration. But, as noted, differences remain, which at least for the foreseeable future are likely to generate differing approaches by Government when considering Whanganui Maori needs as opposed to Pakeha needs.

Chapter Six - Conclusion

Government statistics on the situation of Whanganui Maori have become increasingly more complex and informative. However, the basic situation they convey has remained remarkably consistent, despite improvements in some areas. Whanganui Maori remain underemployed, less educated, have less good quality land, and generally enjoy a lower standard of living than their Pakeha equivalents in the Whanganui inquiry district. The major reasons behind this continuing state of affairs involve the interaction of numerous factors, most of which came together in the period between 1880 and 1930, and can be outlined, (in a series of points), as follows:

- the change from a hunter-gatherer-cultivator economy to a full-scale capitalist economy, with land tenure systems of individualisation and land commodification;
- the change from a largely river-based local Whanganui Maori economy to a Pakeha land-based, local, national and international economy;
- the automatic advantage such changes provided for Pakeha whose world view was now dominant, and from whose world the authority of the Crown arose;
- the manner in which the land tenure system was made operational for Maori involving individualisation, fractionation, succession;
- the absence of a co-ordinating Maori authority to use remaining land for the collective interest;
- the loss of the most productive and better quality lands;
- the challenge of working with less productive land;
- lack of access to development finance;
- the competitive advantages enjoyed by Pakeha through skill, knowledge, networks, lack of dependence on Maori, money, control of local political and commercial structures such as boards, councils, and chambers of commerce;
- the advantages of Wanganui port and the surrounding Pakeha-created infrastructure, drawing in produce from a wide hinterland to the 1920s, for Pakeha business;
- Pakeha migration into the area for bush clearing and farming by skilled farmers driven by the opportunity to establish both a home and viable economic lifestyle;

- the substantial difficulties faced by all who wished to transform the Whanganui inquiry district into viable farmland;
- the lack of skills, experience and networks by local Maori for effective engagement in a diversifying, Pakeha economy;
- the reduction of Whanganui Maori to a rural proletariat, subsistence survival augmented by seasonal or public works labour as needs arose;
- regional competition from the 1920s, which exposed the poverty of the Whanganui district hinterland for investment and capital accumulation, and so further reducing income and economic opportunities for Whanganui Maori.
- the urbanisation of Maori from the 1940s drawing Whanganui Maori off the land and into a new competitive environment, but with opportunities within lower paid, less skilled work;
- continuing limited scope for substantial economic opportunities for Maori in the Whanganui inquiry district due to economic limitations of the area, but some ventures, such as incorporations and tourism, offer some potential.

At one point in her report, Rose draws the conclusion that: 'Underlying poor living conditions and the associated ill health was the marginal position of Whanganui Maori within the economy'.[208] This view is supported by this report. However, her inference on the same page that: 'At the basis of this was the inadequate land base', has been added to by this report. An inadequate land base was only one of many factors that helps to explain poor Whanganui Maori performance after 1880, inadequate being understood as quality of land remaining rather than quantity. Indeed it would not follow that had the land base been adequate qualitatively, Whanganui Maori economic performance would have been necessarily better, unless 'adequate' is understood as meaning sufficient to cover all economic needs in whatever economic environment developed in the Whanganui district. No amount of land by itself could guarantee economic self-sufficiency or development, since land by itself cannot guarantee competitive success within a capitalist economy. Nor is economic success precluded through the absence of

[208] Rose, 'Whanganui Maori and the Crown: Socio-economic issues', p. 432

land. Adequacy of quality land did play a part however in understanding what happened in this district but in conjunction with other factors.

Some of these disadvantages sprang as a result of the transition to a capitalist economy, others arose because of the competitive advantages Pakeha enjoyed within the emerging New Zealand capitalist economy, and some disadvantages arose because of the privileged position of Pakeha to influence Government policy to the further advantage of Pakeha. The Government directed the process that ensured Whanganui Maori land was integrated into a capitalist property regime. The manner in which this process was conducted severely challenged the coherence and economic competitiveness of Whanganui Maori. Land had been commodified, empowering individuals to sell, within an economy that was actively focussed on transforming land into farms and sought land to do this. The effective absence of a co-ordinating Maori authority meant that Whanganui Maori were not well placed to take advantage of potential economic opportunities, for example reinvestment of sales proceeds for collective purposes, or a collective focus on the development of farming skills.

Attempts by Whanganui Maori, with Crown encouragement, to vest lands for leasing (recognising the substantial advantages enjoyed by Pakeha, and seeking to both protect remaining Maori land and derive some income from it) did not bring in much income due to operational costs of the scheme, and the lack of significant return on farming in the district. Poor returns on land may have contributed to Whanganui Maori success in retaining as much land as they have, as Pakeha lost enthusiasm to purchase, owing to the costs in breaking in the land. However, this same feature of development costs also contributed to Pakeha pressure to have leased land made available in perpetuity or in outright freehold.

Within the settler economy, Pakeha naturally enjoyed substantial advantages such as experience in multiple enterprises, networks, political knowledge and structural power, familiarity with the complexities of modern economy, finance, commerce, banking, insurance, technical expertise, numbers, wealth, dominance in government, and no

emotional links to land. Not all Pakeha obviously had these skills but a sufficient number did to ensure a strong competitive advantage over Whanganui Maori.

The Whanganui district environment was a major factor in economic development. Initial Pakeha confidence in their capacity to transform Whanganui inquiry district into prosperous farmlands could not overcome the environmental challenges completely, and transport and communications remain a problem. When other districts in New Zealand began to compete directly against this district, such as Taranaki, Manawatu and Wellington, then Whanganui district was exposed as a district with an inadequate hinterland for competitive economic development. Competition from other ports, and from road and rail confined Wanganui port to a minor economic role, constricting further the economic opportunities and development of the district. This was masked until the 1920s by the slower development of other subsequently competitive districts, the initial extractive nature of timber felling, and the initial success of Wanganui port. From the 1930s, the real economic disadvantages of the Whanganui district have impacted on all economic development interests in this region, but more so on the more vulnerable.

The general development and advance of the New Zealand economy from the 1950s to the 1970s again served to partially mask the deficiencies of the local Whanganui district economy, sufficient to provide work and opportunities for Whanganui Maori as they relocated to urban areas in the district. While these opportunities were at the lower end of the technical and skilled workforce, jobs were available, and an active Government policy of regional assistance by way of employment in Government owned enterprises further assisted Whanganui Maori. Changes in Government economic priorities in the 1980s exposed again the vulnerability of Whanganui Maori, bringing on high unemployment.

Any hopes that Whanganui Maori may have had concerning the long term use of their Whanganui Maori land for economic development, even if Pakeha competition and advantage had been somehow restrained, always had to confront the intractability of significant parts of the district for commercial agricultural use. The inability to attract

secure investment into the region also affected the development of tourism. While Hatrick initially showed what might have been done (and in the process further damaged Maori economic resources), the full potential of the district for tourism still is open to development.

While the obstacles to effective land use for Whanganui Maori therefore played a part in understanding the poorer socio-economic position of Whanganui Maori, an inability to participate fully in the range of other employment options that emerged in the local region, apart from unskilled or semi-skilled labour, also significantly contributed to the poorer economic outcome. The reasons for this largely come down to the marginal and vulnerable position Whanganui Maori came to occupy, and given this was not a condition Whanganui Maori sought to be in, the best explanation lies in the difficulty Whanganui Maori had in sustaining a viable way of life in the face of the competitive and transforming pressures of Pakeha society.

At a local level, good health, good education, good employment prospects, input into the local political and commercial structures, appropriate government assistance and protection given recognised vulnerability, and a collective capacity to make investment decisions in their own interests were crucial if Whanganui Maori were to overcome their initial disadvantages in the face of vibrant Pakeha capitalism. To the extent that the Whanganui Maori economic situation has improved over time, or provides examples of improvement, this is due to deficiencies in those crucial factors being at least partially addressed in the course of the twentieth century. A continuing poorer socio-economic position indicates that more needs to be done.

Throughout the period from 1880 to 2000, the state's perception of Whanganui Maori also changed. In 1880, Whanganui Maori were partially integrated into the capitalist economy. By 1930, they had been integrated to the extent that Whanganui Maori land had been commodified, but the position of Whanganui people was unenviable economically. By 2000, Whanganui Maori were largely integrated into the local and national economy, 'legible' to the state as individuals paying taxes, leasing, renting,

within state derived categories such as health, employment, housing, education, social welfare, and electoral rolls Maori or general. Whanganui Maori were also substantially more familiar with state political and administrative structures. This integration cannot of itself remove inequality, though it can assist in more clearly understanding where inequalities lie, since some degree of economic inequality is endemic within a capitalist state.

Part of the continuing economic inequality of Whanganui Maori derives from the different history they have had in relation to the economy and the state, as identified in this report. However, particular aspects of their specific identity that Whanganui Maori may wish to assert may also be disadvantageous economically, if potential competitors are able to capitalise. For example, if Whanganui Maori were to be reluctant to leave the district for social or cultural reasons, they may not be in a position to benefit from better economic opportunities elsewhere that others in the district might be less reluctant to seize. Economic opportunities need to be judged within a broader context than the purely economic.

Although the commission questions have been addressed throughout this report, a brief summary indicates the general outlines adopted in reply within this report.

a. What economic opportunities existed for Whanganui Maori communities using their remaining lands in whatever form between the 1880s and 2000? In particular, what was the general pattern of Maori land-use strategies? What were the economic land-use outcomes, how did they differ, if at all, from outcomes for non-Maori, and if so, why?

Economic opportunities for Whanganui Maori to use their remaining land were not extensive. Land development by Whanganui Maori was limited by lack of capital, skills and a co-ordinating authority. The Native Land Court process both helped to create these obstacles and made overcoming them extremely problematic. Leasing was a major opportunity which Whanganui Maori were largely compelled to consider if they were to

retain a good proportion of their lands. The returns on this venture were limited, and these were reduced further through the effects of succession. Land was used primarily for subsistence living. Only since the 1970s has land under incorporations begun to offer real economic opportunity. After bush felling and timber clearance, non-Maori were able to develop better quality land through owner operator farms. Advantages that Pakeha had through familiarity with the economic and social system, the purchase and development of better quality land assisted by more effective access to finance and credit, and the wider opportunities provided by experience and education, meant that Pakeha could exploit the economic potential of the land more effectively.

b. What was the nature and extent of economic opportunities and alternatives for Whanganui Maori communities within the Whanganui district economy between the 1880s and 2000? What was the degree of Whanganui Maori participation at all levels of the district economy, and the impact, if any, of Maori economic migration within and outside of the Whanganui district? In what ways, if at all, did such opportunities, participation and migration differ for Maori compared to the rest of the Whanganui population, and if so, why?

Generally the nature of economic opportunities and their extent were extremely limited. Until the 1930s, Whanganui Maori survived by subsistence living, augmented by seasonal labour in farms, or on public works schemes such as the building of the Main Trunk Line, or in the timber industry until its demise in the 1930s. After the 1930s, with urbanisation, Whanganui Maori were able to find occupations in labouring or lower skilled and less technically demanding jobs. Their opportunities were limited compared to Pakeha because of their lack of comparative educational, technical skills, and lack of initial familiarity and resources to deal with the social and economic demands of urban living. Urbanisation was a form of internal migration, brought on by lack of rural economic opportunity, and the prospect of better in the urban areas. The particular challenges of the Whanganui district would have also encouraged movement further afield but this report was not able to detail precisely how many Whanganui Maori sought economic opportunities outside the Whanganui district. The slow increase in urban

population in the Whanganui inquiry district suggests that Pakeha were migrating out of the area for better economic opportunities, as the area itself was slow growing economically compared to other regions of New Zealand.

c. To what extent:

i. was the Crown aware of the economic status of Whanganui Maori between 1880 and 2000?

In general, the Crown was aware of the economic status of Whanganui Maori, but the depth of its knowledge developed as more precise information gathering tools were devised, and as Whanganui Maori were more clearly differentiated within census questions. Integration of Whanganui Maori into the general economy allowed more precise categorisation of Whanganui Maori by state authorities.

ii. did the Crown seek to inform itself of this status, in particular of adverse aspects?

Yes, the Crown did seek to inform itself of adverse effects, in particular through commissions such as the Stout-Ngata commission, and extensive reports such as the Hunn report. The existence of the Department of Maori Affairs, the operation of the Maori Land Court, and the work of Maori MPs entailed in part that information concerning adverse aspects of Whanganui Maori economic status would be transmitted to the Crown.

iii. were Whanganui Maori considered in government economic policy formation and information gathering with regard to the Whanganui economy and Whanganui land-use?

Until the 1930s, Whanganui Maori appear to have played little part in government economic policy formation with regard to the Whanganui economy and land-use, but information was gathered about them. In part because of information gathered about Whanganui Maori, policy formation changed to allow land development schemes to be promoted, and later for vested lands to be returned to Maori control. The urbanisation of

Whanganui Maori, and knowledge of this, contributed to government attempts to keep employment opportunities open in urban areas as a state employer. As government priorities changed for management of the economy in the 1980s, consideration of Whanganui Maori with regard to the Whanganui economy and land-use may have been given less weight over other factors, as evidenced by the dramatic increase in Whanganui Maori unemployment.

iv. did international and national economic factors impact on the development of government economic policy with respect to the Whanganui district?

Yes, the nature of the New Zealand economy is that it must be responsive to international and national factors, and this impacted on Whanganui district. Internationally, New Zealand, as a primary product producer and exporter, has to compete for market access. For much of New Zealand's economic history, this has been largely guaranteed through Britain, but since the 1970s the New Zealand economy has been forced to diversify. International price slumps for agricultural produce, depression, and restructuring since the 1980s have had effects on the Whanganui economy, and while the government has attempted to mitigate these to some extent, the Whanganui economy itself poses more expensive challenges to government for development than other regions in New Zealand.

v. did information gathering, policy formation and other government responses differ, if at all, between Maori and other sections of the district's population, and if so, why?

Yes, for the simple reason that Whanganui Maori were different from other sections of the district's population. Legal and administrative differences between Whanganui Maori and other sectors obliged differing policy formation and other government responses, over and above the essentially rural nature of Whanganui Maori until the 1950s, and their subsequent concentration in the lower skilled sections of the Whanganui district economy. The recognition that Whanganui Maori were not integrated into the Whanganui

economy as comprehensively and productively as other sectors was a major factor in government attempts to encourage integration.

The answers provided here are short summaries, and should be supplemented by reading the report and the other relevant reports prepared for the Whanganui district inquiry. Other critical aspects for assessing economic opportunities such as education, health, housing and employment data are also dealt with in these other reports. Further factors are also likely to have had some impact on Whanganui Maori economic opportunity. These include the effect of military mobilisation for the wars of the twentieth century, in particular the extent to which the organisational training, and the contacts with other Maori and Pakeha forged through that experience, affected economic opportunities. Another factor was religious and political mobilisation that occurred through Ratana, with possible implications for Whanganui Maori economic opportunity. Sport was a feature of Whanganui inquiry district life, for Pakeha and Maori. It is quite possible that the contacts and experience of sport within different communities opened up some economic opportunities for Whanganui Maori. Finally, the changing place of women in New Zealand society, both for Pakeha and Maori, is likely to have had some effect on Whanganui Maori economic development. The notion and reality of economic development is intertwined with a whole range of social, cultural, technological, environmental and political considerations and changes, which are not straightforward to unravel.

Final Summary

Two major forces came to bear on the Crown in the nineteenth century and still do, namely the economic dynamism of capitalism and Pakeha social dynamism. The challenge for the Crown was to integrate the two forces productively. The Crown brought to this challenge its own imperatives of bureaucratic and administrative efficiency, which increased its own manipulative power over diverse individual, social and economic phenomena within New Zealand society, and opened up opportunities for social and economic formations best adapted to operate within a Crown-transformed environment.

Within that challenge, Maori were a further component arising from their cultural and social difference, and obligations the Government recognised towards Maori as possessors of certain rights, expressed in part, but not entirely through the Treaty of Waitangi. Maori were also the possessors of one major economic development asset desired by Pakeha, that is land. General economic development, the expectations of growing and powerful Pakeha populations, and the Crown's own requirements for organisational efficiency within these constraints, meant a growing tension between addressing these needs coherently and advancing the interests of Maori. The contested view of Maori land and its place in general economic development served as the general battleground of these broadly competing interests. Crown action came to focus on Maori land, but by implication included Maori political, social and cultural cohesion. The general import of this report is that, over and above the detail of practical, political discussion taking place between Maori and Crown officials in the Whanganui inquiry district, there were overarching economic, social and administrative forces in significant tension with the economic interests of Maori.

Within these broad parameters of economic development, Pakeha social expectation and Government efficiency, Maori development, especially as to how it might involve land, was a further competitive constraint on Crown action. One can suggest what the Crown should have done, or what the Crown might have been urged to do, and quite correctly point out Crown knowledge at the time of the damage and disadvantage that would accrue to Maori if certain courses were adopted. Nevertheless the constraints of legitimacy, deriving in part from the requirement to facilitate significant Pakeha interests and promote a prosperous economic climate, made an emphasis on genuine Maori economic development problematic for governments, especially from the 1890s to the 1920s. There is a real question as to whether there was a genuine option in the late nineteenth century of accommodating, within the economic, social and political constraints of the time, both significant Pakeha economic development and significant Maori economic development in the Whanganui inquiry district. Political initiatives developed between 1900 and 1905 were not sustained. The requirements for Pakeha and Maori economic development competed, and Pakeha were in a stronger position to

mobilise the Crown in support of Pakeha interests, and the Crown was more responsive to Pakeha interests. In reaching this conclusion, the work of Brooking has been influential.

While this conclusion serves to usefully limit the extent of Government responsibility for Maori economic outcomes, there were still aspects of Whanganui Maori economic potential that were directly influenced by the Crown. With differing approaches to land as a major marker of competing interests, there was one significant site on that battleground where all the otherwise analytically distinct, competing, economic and social forces came together, that is, in the actions of the Native Land Court. The comprehensive conversion of Maori land into individual title through the Native Land Court process, regardless of any advantages that might accrue for Maori, could only have been a fundamental challenge to Maori cultural, social and economic life. Rather than assisting Whanganui Maori to engage more effectively within the emerging economy, the operation of the Native Land Court and Maori land legislation put in place serious impediments to Whanganui Maori development. Given the momentous implications for Whanganui Maori of this legal and administrative process, a serious question arises as to its appropriateness for Whanganui Maori. At the very least, a recognition of its adverse consequences and some degree of support following on from that recognition would have been appropriate. The Stout-Ngata Commission attempted to confront this reality of radical challenge for Whanganui Maori.

Title conversion by the Native Land Court rendered Whanganui Maori economically, socially, politically and culturally vulnerable. In a real sense, a whole way of life was coming to an end, and a new life, within the new legal, administrative and fiscal constraints of individualised title, was yet to be born. The Government was fully aware of this at the time. The subsequent economic position of Whanganui Maori, after their land had been processed through the Native Land Court, offered little opportunity for economic development within the existing regime. This was despite a clear willingness of Whanganui Maori between 1840 and 1880 to engage with the Pakeha economy in the expectation that some economic development would occur.

Whatever protections the government might have believed it had provided at the time, especially from the 1890s onwards, the broad economic position that resulted for Whanganui Maori does not indicate that these protections were particularly effective. Subsistence farming, augmented by casual, seasonal labour, was a rational economic response to the limited economic opportunities available. But there was nothing strictly inevitable about that outcome, especially as Maori had not specifically sought subsistence living as an outcome, nor did their economic position to the late nineteenth century suggest that their future lay in that economic direction. While Maori operated under significant disadvantages compared to Pakeha, some of these disadvantages, such as the Native Land Court legislation and the consequent impediments to accessing finance and maintaining commercially viable land acreages, were Crown generated. This aspect of Maori vulnerability flowed directly from Crown actions, and the Crown's subsequent failure to take remedial action until much later in the twentieth century, served to weaken Maori economic robustness even further. Had Whanganui Maori been offered genuine assistance in these areas of vulnerability, their capacity to respond to other challenges and disadvantages they faced in the Whanganui inquiry district would have been greater.

It was in this period from the 1890s to the 1920s that the most substantial damage was done to Whanganui Maori economic prospects, and also the time when Pakeha prospects in Whanganui district were at their brightest. These two facts are not unrelated, as this report has highlighted. Maori economic development was not completely ignored by governments, in particular with the vesting and leasing of Maori land. This option was seized upon by Whanganui Maori themselves as a major possibility for both land retention and economic development. Nevertheless, when this vesting/leasing option failed to provide real economic opportunity for Whanganui Maori, no urgent action appears to have been taken by governments to find other workable options to promote Whanganui Maori economic development, despite the clear evidence of precarious subsistence into which Whanganui Maori had largely fallen.

There is no guarantee of course that had the Government been more alert and protective of Maori economic interests and development, the course of that development would have been more favourable. Pakeha in competition with Whanganui Maori still held significant advantages. At the very least, Whanganui Maori might perhaps have expected the Crown to mitigate any disadvantages Whanganui Maori suffered that were directly in the Crown's control to change. To handicap Whanganui Maori further within an intensely competitive environment may suggest that other competitors had a more privileged access to Government decision making. However, such considerations could offer no consolation to Whanganui Maori as their land was either lost, or locked up in economically unrewarding leases, or bogged down in a legal and administrative quagmire.

Given the clear desire of Whanganui Maori to engage with the new economy, the clear recognition at the time that the Native Land Court process worked to the disadvantage of Maori economic development, and the clear willingness of Whanganui Maori to explore economic options despite legal and administrative constraints, the question must arise as to why the Maori land legislation process was not modified to accommodate the concerns of Whanganui Maori. It would seem that while the Native Land Court process helped to integrate Maori land within the Pakeha legal and administrative regime to facilitate capitalist development, it did so in such a way that allowed the major Whanganui Maori economic asset to be effectively stripped from their control and use. The explanation for this result lay in the powerful, interlinked, and competing requirements of Pakeha social, political and economic development, which effectively used Crown authority, despite debates, legal arguments, Whanganui Maori opposition and occasionally alternative policies, to encourage Pakeha development at the expense of Whanganui Maori economic development. What ought to have been at least attempted for Whanganui Maori was obvious at the time, namely some legally recognised, properly empowered, communal entity to decide land use. However, the risk for Pakeha in the Whanganui district was that even a moderately successful Whanganui Maori economic development would have challenged the competing designs of Pakeha. The dynamic of competing development needs was not of course confined to the Whanganui inquiry district, and has to be

explicitly averted to in any consideration of Crown attempts to build social and economic cohesion. Only when Whanganui Maori had been prevented from using their economic asset productively, freeing Pakeha to make use of it, could Whanganui Maori finally become worthy of serious government economic concern as citizens not only persisting, but increasing in number, and clearly economically disadvantaged.

From the 1930s onwards when Whanganui Maori became a social problem, the Crown was involved in an exercise of damage limitation, and economic and social repair as regards Whanganui Maori economic development, within an emerging context of urbanisation. The Crown readily recognised there was a problem with Maori development, and took action both with land development, and later with assistance within the urban environment. Actions taken by governments in the 1980s and 1990s indicated that Whanganui Maori were still vulnerable, because of their socio-economic position, when competing economic and significant Pakeha social interests combined to direct Government policy.

The general economic pattern is that up to the 1880s Whanganui Maori were a significant economic force, due primarily to their communal control of land. When that communal control of land was lost, the capacity of Whanganui Maori to mobilise for their economic interests, in the face of competing Pakeha interests, was weakened. The economic outcome for Whanganui Maori to 1930 is evidence that the process of integration into the Pakeha controlled economy had not been successful for Whanganui Maori. Urbanisation brought a new set of economic challenges for Whanganui Maori, but the legacy of their weakened socio-economic position was reflected in their urban economic situation. It is not possible to quantify on some form of responsibility calculus the exact extent of government responsibility for this consistently poorer economic outcome for Whanganui Maori over time. That governments were constrained in what they could deliver for Whanganui Maori is clear, but they also had some responsibility for the poorer economic outcome where governments either put in place or failed to remove legal and administrative impediments to Whanganui Maori economic performance. Actions at this level would seem to be at least a minimal expectation from a Whanganui Maori

perspective, leaving aside what other possibilities, within existing constraints, that governments could have explored.

In this report, five components are identified as the crucial pillars when considering Whanganui Maori economic development. First, the arrival of a transforming, competitive, capitalist economy, which ensured Whanganui Maori economic, social, political and cultural structures would be radically challenged. Secondly, the arrival of the nation state political construct with authority centred on the Crown, which further challenged Whanganui Maori political structures. Whanganui Maori became only one factor in the Crown's challenge to create and maintain a coherent nation state within the dynamism of capitalist creation and destruction, and the expectations of settler populations to whom it was expected to be responsive. Thirdly, the vigour of the Pakeha culture that arrived in such numbers, with so many advantages in money, skills, and power within the new system it was partly designing to suit itself. Fourthly, the interaction of those first three factors towards the end of the nineteenth century, especially as mediated through the Crown, which worked to effect a beneficial outcome for Pakeha. Finally, the Whanganui inquiry district environment which, although partially transformed for commercial uses, has proved less productive economically than other parts of New Zealand. These factors are the context through which Whanganui Maori economic development has to be assessed and in which Whanganui Maori struggled to obtain a viable and sustainable future.

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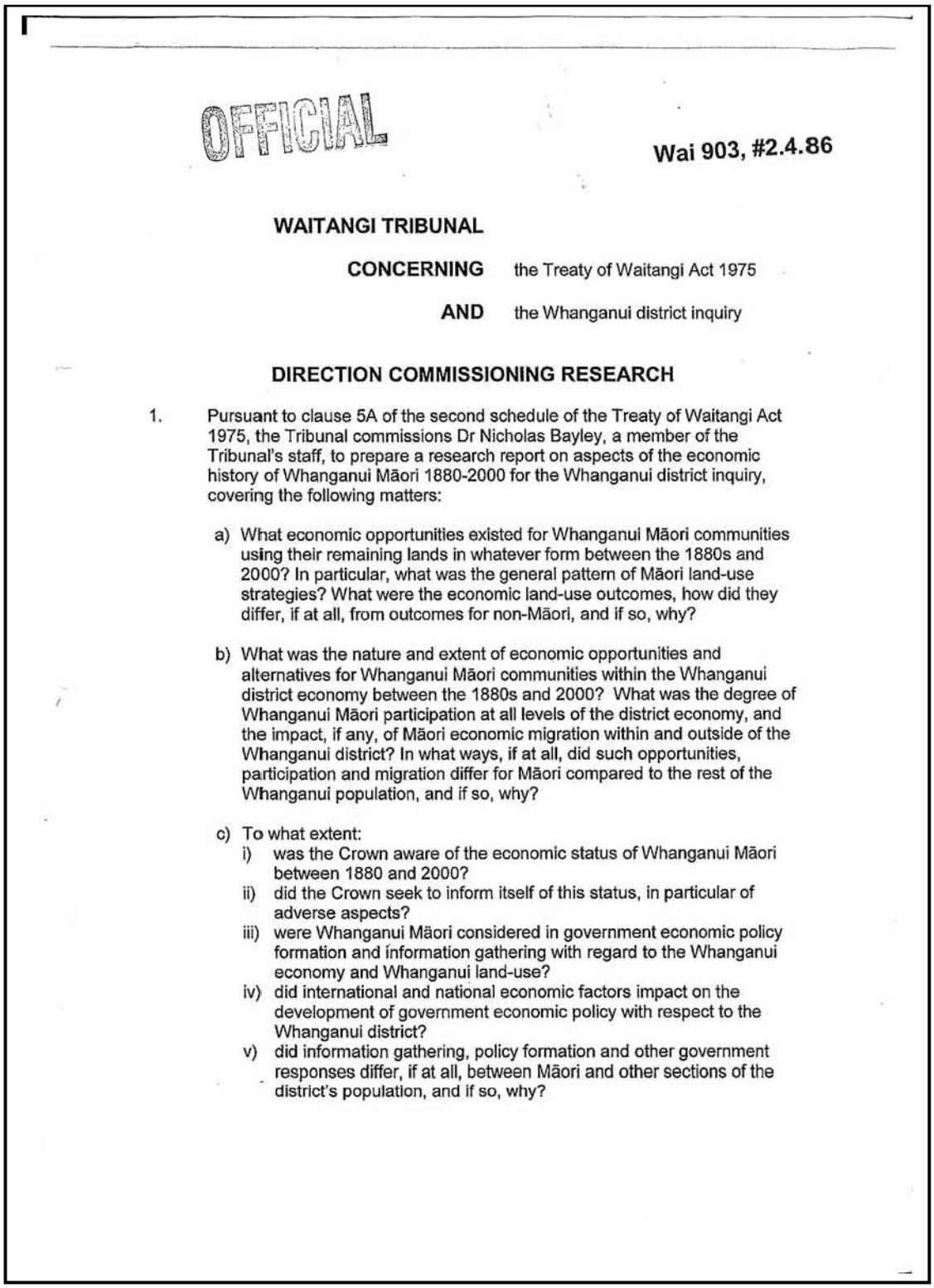
Appendices

Appendix 1: The Commission



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WAITANGI TRIBUNAL

CONCERNING the Treaty of Waitangi Act 1975

AND the Whanganui district inquiry

DIRECTION COMMISSIONING RESEARCH

1. Pursuant to clause 5A of the second schedule of the Treaty of Waitangi Act 1975, the Tribunal commissions Dr Nicholas Bayley, a member of the Tribunal's staff, to prepare a research report on aspects of the economic history of Whanganui Māori 1880-2000 for the Whanganui district inquiry, covering the following matters:

   a) What economic opportunities existed for Whanganui Māori communities using their remaining lands in whatever form between the 1880s and 2000? In particular, what was the general pattern of Māori land-use strategies? What were the economic land-use outcomes, how did they differ, if at all, from outcomes for non-Māori, and if so, why?

   b) What was the nature and extent of economic opportunities and alternatives for Whanganui Māori communities within the Whanganui district economy between the 1880s and 2000? What was the degree of Whanganui Māori participation at all levels of the district economy, and the impact, if any, of Māori economic migration within and outside of the Whanganui district? In what ways, if at all, did such opportunities, participation and migration differ for Māori compared to the rest of the Whanganui population, and if so, why?

   c) To what extent:
      i) was the Crown aware of the economic status of Whanganui Māori between 1880 and 2000?
      ii) did the Crown seek to inform itself of this status, in particular of adverse aspects?
      iii) were Whanganui Māori considered in government economic policy formation and information gathering with regard to the Whanganui economy and Whanganui land-use?
      iv) did international and national economic factors impact on the development of government economic policy with respect to the Whanganui district?
      v) did information gathering, policy formation and other government responses differ, if at all, between Māori and other sections of the district's population, and if so, why?

d) Any other matters of relevance

2. The commission commenced on 4 September 2006. A complete draft of the report is to be submitted by 29 June 2007 and will be distributed to all parties.

3. The commission ends on 30 July 2007, at which time one copy of the final report must be submitted for filing in unbound form, together with indexed copies of any supporting documents or transcripts. An electronic copy of the report should also be provided in Word 97 or Adobe Acrobat format. The report and any subsequent evidential material based on it must be filed through the Registrar.

4. At the discretion of the presiding officer the commission may be extended if one or more of the following conditions apply:
   a) the terms of the commission are changed so as to increase the scope of work;
   b) more time is required for completing one or more project components owing to unforeseeable circumstances, such as illness or denial of access to primary sources;
   c) the presiding officer directs that the services of the commissionee be temporarily reassigned to a higher priority task for the inquiry;
   d) the commissionee is required to prepare for and/or give evidence in an inquiry during the commission period.

5. The report may be received as evidence and the author may be cross-examined on it.

6. The Registrar is to send copies of this direction to:
   Dr Nicholas Bayley
   Claimant counsel and unrepresented claimants in the Whanganui district inquiry
   Acting Chief Historian, Waitangi Tribunal
   Acting Deputy Chief Historian, Waitangi Tribunal
   Inquiry Facilitator, Waitangi Tribunal
   Solicitor General, Crown Law Office
   Director, Office of Treaty Settlements
   Chief Executive, Crown Forestry Rental Trust

Chief Executive, Te Puni Kokiri

Dated at Wellington, this 18th day of September 2006.

Judge C M Wainwright
Presiding Officer
WAITANGI TRIBUNAL

Appendix 2: Maps

The following maps, taken from the National Resources Survey of the Wanganui Region,[209] provide an insight into the Whanganui district in the late 1960s. These maps are best viewed in colour. Regrettably these maps do not include the entire inquiry district, as the region north of Waimarino up to Taumarunui is not included. Nevertheless, what the maps depict does help in understanding the shape of economic development in the Whanganui inquiry district.

[209] Ministry of Works, *Wanganui Region*, Maps supplement

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MAP 1 RELIEF, LOCATION, COMMUNICATIONS

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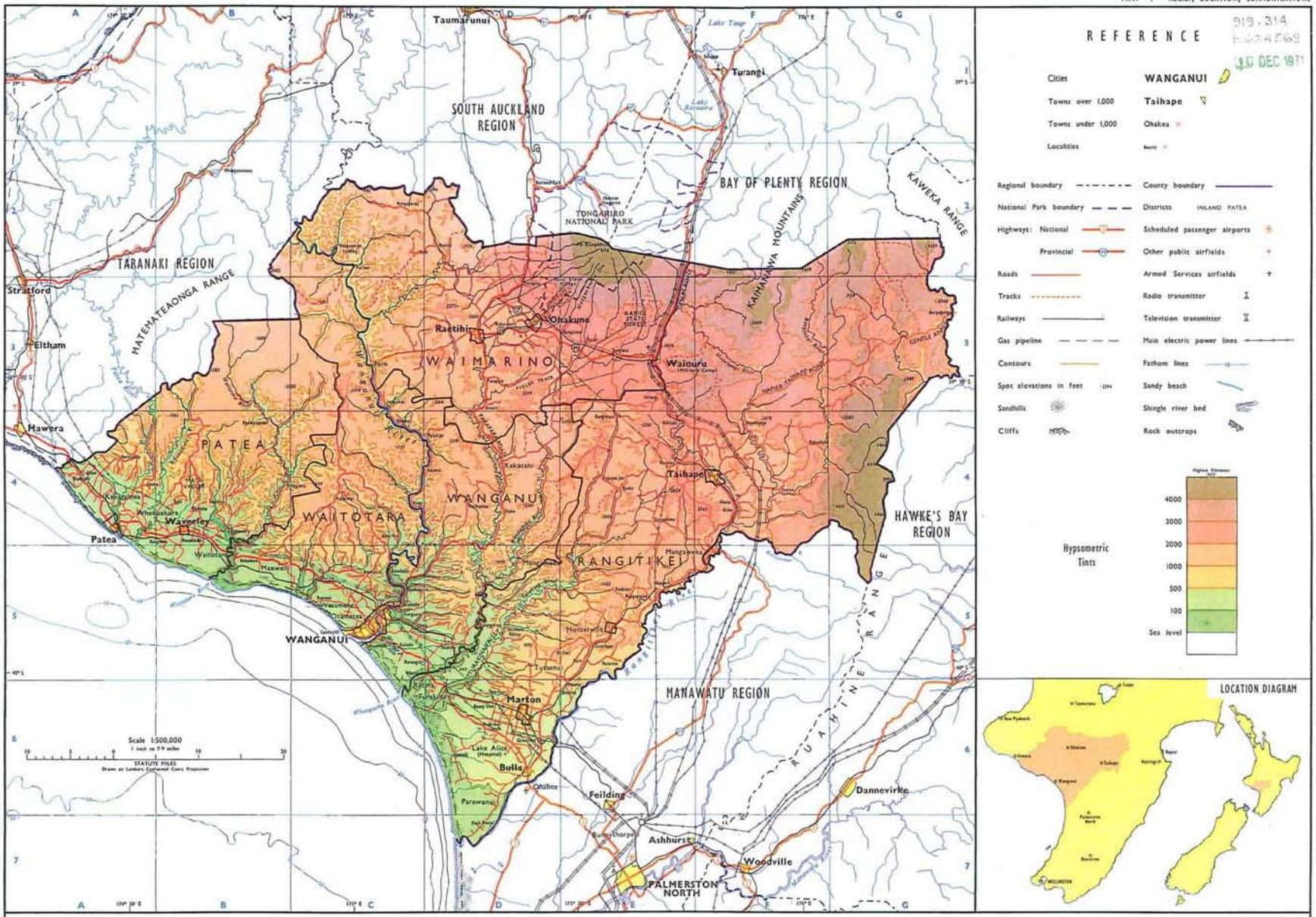

REFERENCE

Cities	WANGANUI
Towns over 1,000	Taihape
Towns under 1,000	Ohakea
Localities	
Regional boundary	County boundary
National Park boundary	Districts INLAND PATEA
Highways: National	Scheduled passenger airports
Provincial	Other public airfields
Roads	Armed Services airfields
Tracks	Radio transmitter
Railways	Television transmitter
Gas pipeline	Main electric power lines
Contours	Fathom lines
Spot elevations in feet	Sandy beach
Sandhills	Shingle river bed
Cliffs	Rock outcrops

Hypsometric Tints

Highest Elevation (feet)
4000
3000
2000
1000
500
100
Sea level

NATIONAL RESOURCES SURVEY WANGANUI REGION

MAP 1

RELIEF, LOCATION, COMMUNICATIONS

COMPILED AND DRAWN BY THE DEPARTMENT OF LANDS AND SURVEY L & S 1/5

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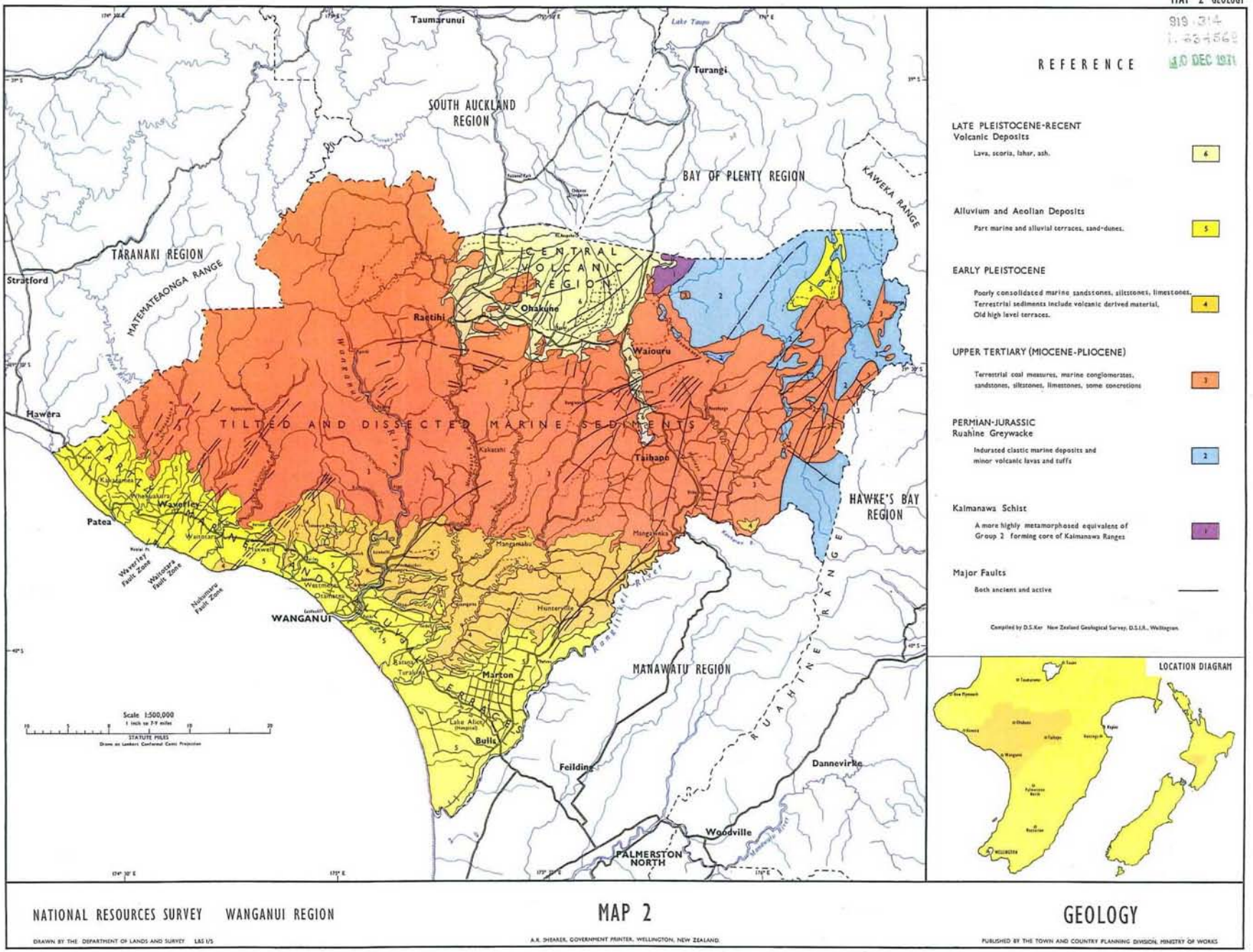

REFERENCE

LATE PLEISTOCENE-RECENT
Volcanic Deposits
Lava, scoria, lahar, ash. — 6

Alluvium and Aeolian Deposits
Part marine and alluvial terraces, sand-dunes. — 5

EARLY PLEISTOCENE
Poorly consolidated marine sandstones, siltstones, limestones. Terrestrial sediments include volcanic derived material. Old high level terraces. — 4

UPPER TERTIARY (MIOCENE-PLIOCENE)
Terrestrial coal measures, marine conglomerates, sandstones, siltstones, limestones, some concretions — 3

PERMIAN-JURASSIC
Ruahine Greywacke
Indurated clastic marine deposits and minor volcanic lavas and tuffs — 2

Kaimanawa Schist
A more highly metamorphosed equivalent of Group 2 forming core of Kaimanawa Ranges — 1

Major Faults
Both anciens and active

Compiled by D.S.Ker New Zealand Geological Survey, D.S.I.R., Wellington.

NATIONAL RESOURCES SURVEY WANGANUI REGION

MAP 2

GEOLOGY

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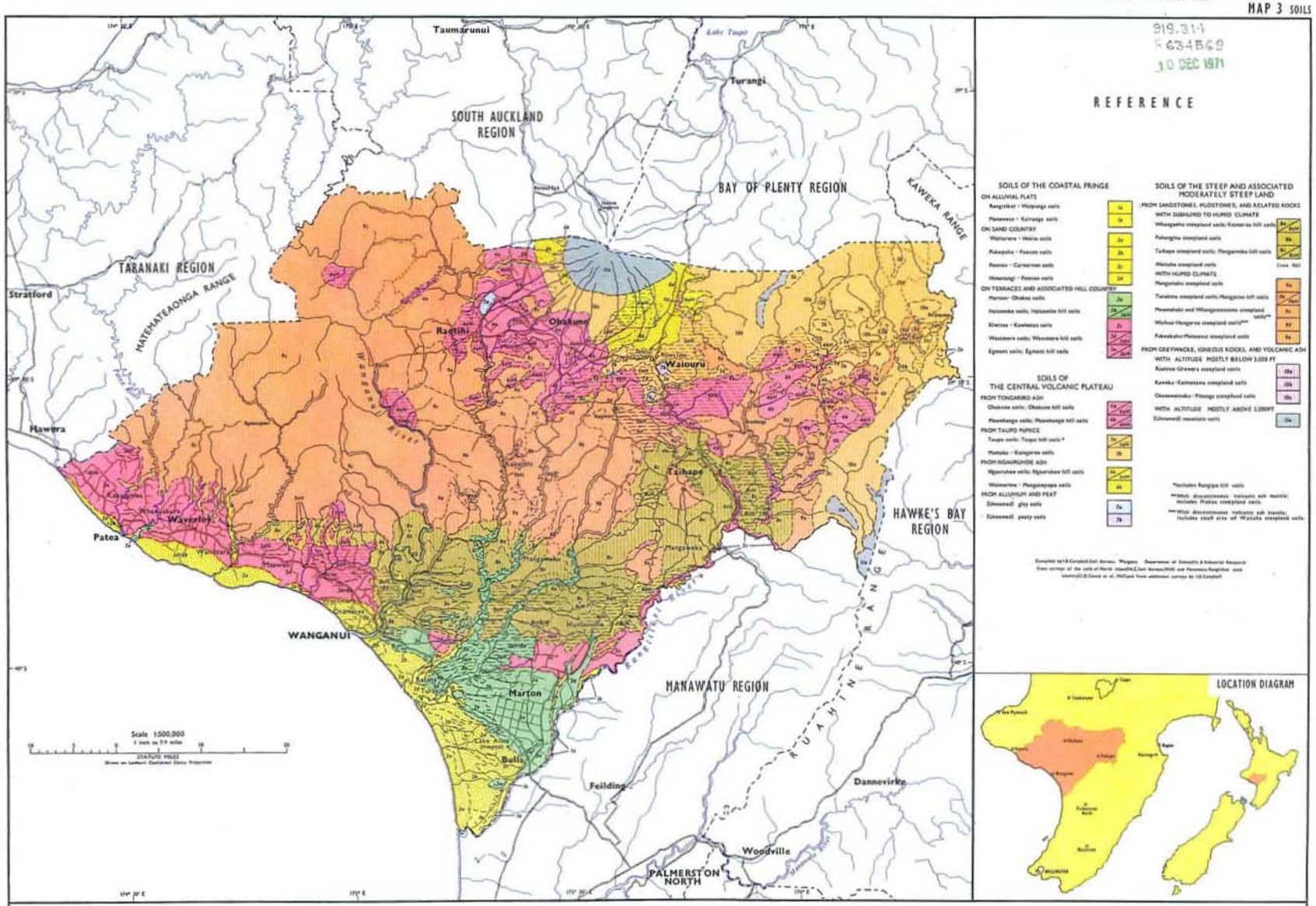

NATIONAL RESOURCES SURVEY WANGANUI REGION

MAP 3

SOILS

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MAP 4 POTENTIAL PASTORAL USE OF SOILS

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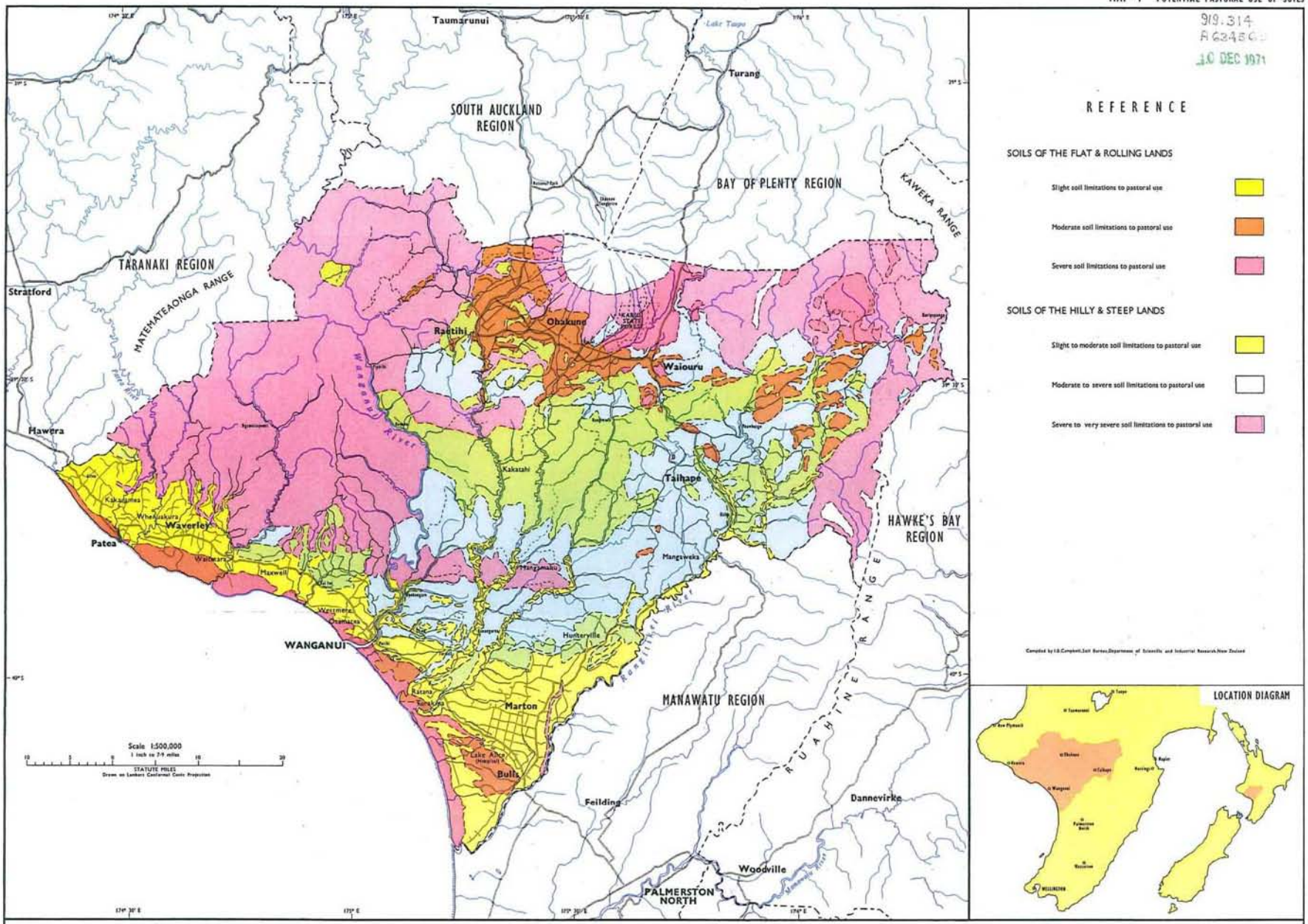

NATIONAL RESOURCES SURVEY WANGANUI REGION

MAP 4

POTENTIAL PASTORAL USE OF SOILS

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MAP 5 LAND USE 1967

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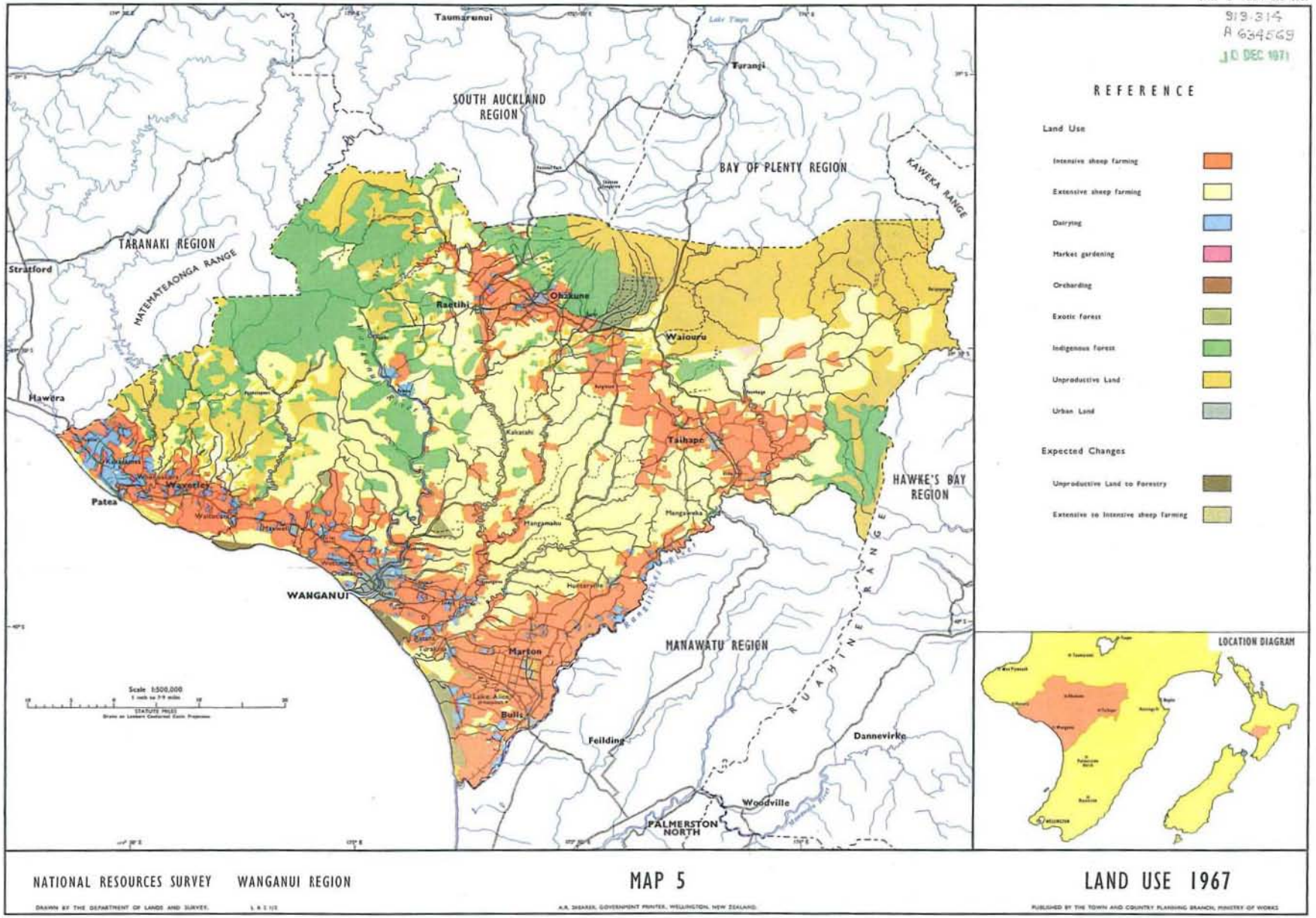

NATIONAL RESOURCES SURVEY WANGANUI REGION

MAP 5

LAND USE 1967

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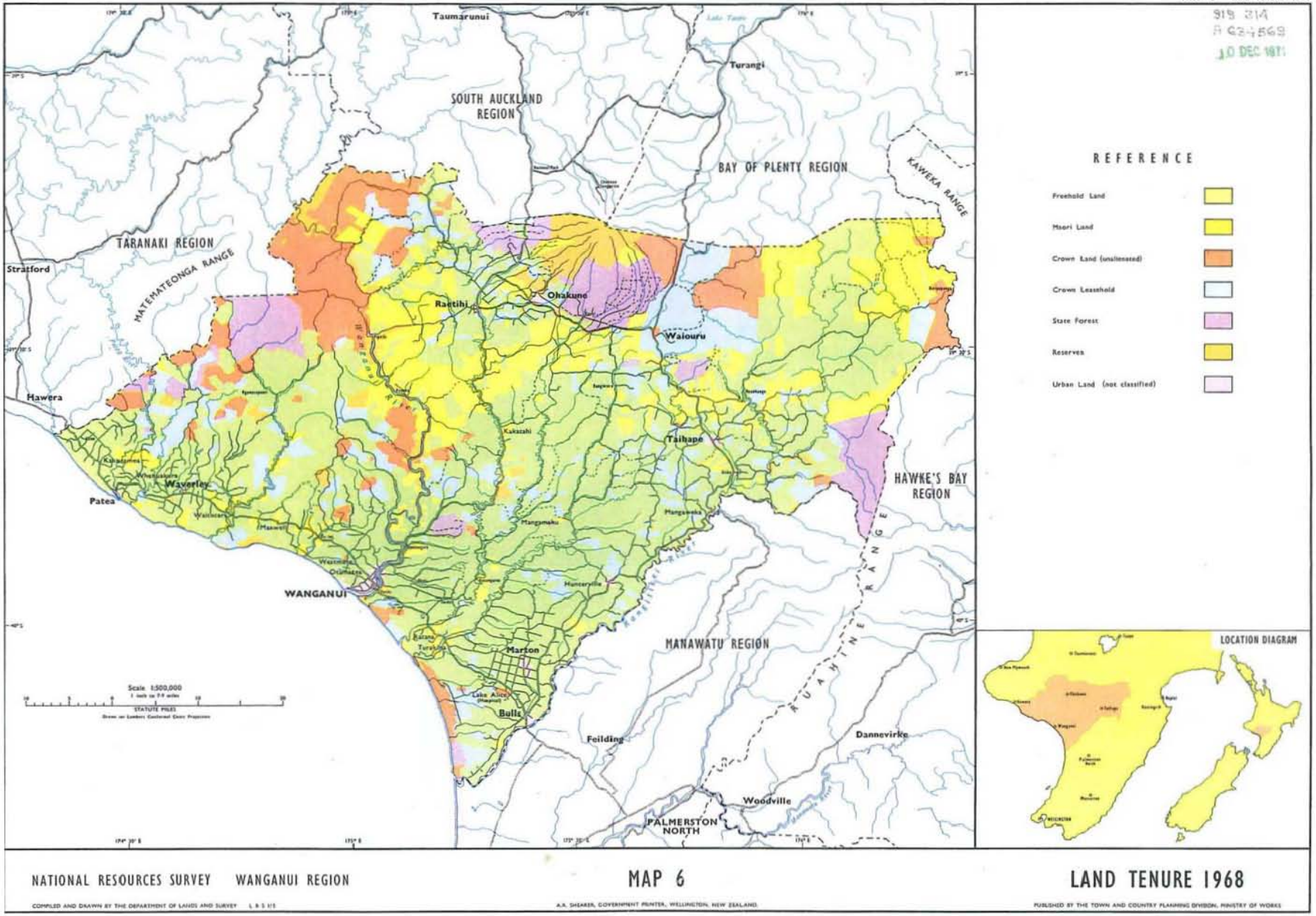
MAP 6 LAND TENURE 1968



NATIONAL RESOURCES SURVEY WANGANUI REGION

MAP 6

LAND TENURE 1968

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