

Kiwi Keith and Kinloch

A CLOSER LOOK AT HOLYOAKE'S 'PROUDEST ACHIEVEMENT'



WHEN BARRY GUSTAFSON'S BIOGRAPHY OF KEITH HOLYOAKE, *Kiwi Keith*, was released in 2007, it received generally favourable reviews. Jim McAloon, in the *New Zealand Journal of History*, for example, called it 'an outstanding contribution to New Zealand's political history'.¹ But not all were impressed. In his *New Zealand Listener* review Michael Bassett was especially critical, charging Gustafson with failing to adequately explain just how such a 'modest man' enjoyed decades of success. In sum, wrote Bassett, the many superlatives Gustafson showered upon Holyoake were rendered 'somewhat hollow'.² A reviewer in the *Nelson Mail*, Vic Evans, went further, suggesting that Gustafson's National Party allegiance had coloured his judgement and left question marks over the accuracy of his portrayal of the private Holyoake. While the book would remain the dominant discourse on Holyoake until an alternative was written, 'that is not what a balanced view of history should be about'.³

One issue touched upon by several reviewers of *Kiwi Keith* was Holyoake's private development of land at Kinloch on the northern shores of Lake Taupō, where the building of a government road to the edge of his property aroused a degree of controversy. McAloon wrote that 'his interest in Kinloch is well discussed'.⁴ But others felt Gustafson had been too soft on the subject: John Roughan in the *New Zealand Herald* noted the lack of 'strong comment',⁵ while Bassett remarked upon the need for more explanation in respect to 'the accusations levelled at Holyoake over his influence to get essential services into Kinloch that appears to have turned him and his partners into wealthy men'.⁶

Just what was Holyoake up to at the holiday resort of Kinloch, where from 1953 until his death in 1983 much of his private life was focused? There is much more to scrutinize than his influence in having a road built to his property. Most particularly, there are the circumstances of his acquisition of Māori land there in 1956. The extent to which Gustafson chose to confront Holyoake's manoeuvrings at Kinloch, therefore, is certainly a mark by which his account can be measured.⁷

Holyoake's own narrative can introduce us to the origins of the Kinloch purchase. In the silver jubilee history of the settlement, an account written by Holyoake was made available by his family. In it he related how he was told in June 1953 by friend and National Party stalwart Theodore Nisbett (T.N.) Gibbs that the latter's son, Ian, was interested in purchasing a block of land on the north-western shore of Lake Taupō. The land comprised the best part of Whangamata No.1, which had been purchased from Māori in 1884, and after a succession of owners was now in the hands of Ian Gibbs's employer, New Zealand Forest Products Ltd. The block comprised some 5385 acres and was largely covered in scrub and fern. Holyoake, who was Deputy Prime Minister and Minister of Agriculture at the time, inspected

the land the next weekend and ‘advised the purchase of the block.’⁸

Exactly when the purchase took place is unclear. Ian Gibbs had secured a 14-day option to purchase by the time of Holyoake’s June 1953 inspection,⁹ but the certificate of title for the land states ‘Transfer N.Z. Forest Products Limited to Ian Ogilvie Gibbs of Tokoroa engineer and Theodore Nisbett Gibbs of Wellington public accountant as tenants in common in equal shares produced 23/11/53.’¹⁰ In any event, Holyoake was quickly in on the deal. He recorded that his experience as a ‘practical farmer’ soon led T.N. Gibbs to offer him a stake in the block, which he accepted. The partnership, which was called Whangamata Station, was formalized in October 1953. T.N. and Ian Gibbs held quarter shares each, Holyoake three-sixteenths, and each of his five children a sixteenth each.¹¹

By the time the partnership was formalized Holyoake had already made good use of the expertise at his disposal in the Department of Agriculture in assessing the Whangamata land’s potential. Amongst his papers is an unsigned and undated memorandum that reads ‘I would appreciate a statement setting out the cost of development of Taupo pumice land as a sheep farming proposition on the basis of, say, a 500 acre unit, the statement to show the cost of each operation kept separately.’ There then follows a list of expenditure items, from ‘rabbit proofing boundary’ to ‘shearing machinery’. The note ends with a request for ‘an estimate of the carrying capacity of such a unit showing the types of stock which would be most advisable, having regard to the necessity to continue it as a separate farm unit.’¹² This request seems to have elicited a detailed account from Holyoake’s officials, forwarded to him as minister by E. J. Fawcett, the Director-General of Agriculture, on 22 September 1953.¹³ These notes, written by P.W. Smallfield, the Director of the Extension Division, described the soil types on the north and north-west of Lake Taupō and the best methods of pasture establishment. They also set out the costs of fencing, buildings, equipment, livestock and obtaining water supply and the overall development costs on the land per acre. The notes concluded with the following suggestion: ‘Advice on development could best be given on the area itself and the prospective settler would be well advised to have the land inspected by Fields Instructor Taylor, Rotorua.’ This latter comment suggests that Smallfield was aware neither of the exact location of the land nor the identity of those with an interest in it. The reality was, however, that Holyoake was sizing up the outlay that confronted his friends and was contemplating his own investment in the block.

The officials’ work on the cost of developing the land led to a series of estimates that appear in Holyoake’s papers of the necessary expenditure in developing the land over the six years from 1953. These include a total outlay of £111,350 (necessitating the borrowing of £60,000 and expenditure by the partners of £41,350¹⁴) off-set by savings from tax deductions (£18,600) and the sale of beach sections in 1958 and 1959 (£10,000), leading to assets by 1959 of £167,000.¹⁵ This equates to roughly \$6.5 million in 2010 terms — a handsome return, after a lot of hard work, on the modest £3000 (around \$145,000) purchase price of the land.

In his biography, Gustafson did not shy away from Holyoake’s use of his officials’ advice regarding the Kinloch purchase. He made it clear that Holyoake phoned Fawcett and sought his counsel on the establishment of a sheep farm on Taupō pumice land, and that the latter responded in some detail. He also noted

Holyoake's comment in the Kinloch silver jubilee publication that the partnership received plenty of advice from Lands Department officials. But he made no comment at all about whether this was appropriate, despite noting that the partners were on course by 1959 to double their initial net outlay.¹⁶

That Holyoake used his influence as a minister of the Crown to secure the best possible advice for the development of his property — and thus increase his personal wealth — is quite clear from other correspondence. Included amongst his papers is a letter of 21 November 1956 from Ian Gibbs to his father:

Dear Dad

You will remember that I summarised the factors which could have affected the lambing adversely. One mentioned was possible copper deficiency through excess molybdenum being present.

Am not quite clear yet how to go about solving this. Haven't discussed it with K.J.H. — his promised visit by agriculture department top scientists did not eventuate the other day and we need a thorough study not a casual inspection.¹⁷

The visit must have occurred shortly thereafter. Holyoake wrote in December 1956 that he had 'invited Dr McMeekan, Director of Ruakura Animal Research Station, down to advise us', and that he was 'very good and helpful.' During Easter 1955 he had also 'arranged that Gavin Brown [of the Lands Department] and his surveyor, a State Advances Corporation man and two Agriculture Department wool men should be on the block to give advice on a number of things, i.e. the siting of the wool shed, grassing, stocking, etc — very helpful.'¹⁸ This was not the last time that Holyoake deployed his officials to help him out at Kinloch. T.N. Gibbs must have known he was onto a good thing. As his biographer, Paul Goldsmith, observed: 'It was not a bad idea to tie one's fortunes to those of a future Prime Minister.'¹⁹

Advice on siting the wool shed was one thing, but what Whangamata Station really needed was road access. Just before Christmas 1953, according to Holyoake, Ian Gibbs had a track bulldozed from the Putaruru Road to the lake at the cost of £150. This track was improved from time to time, including a new piece in 1954 'from the top bluff almost due east to the Old Taupo Road'. The Lands Department, in the meantime, was developing the adjacent Oruanui Block and, wrote Holyoake, 'decided and commenced to construct good roads out to and also a spur road down to our boundary. This latter was, of course, the beginning of the main road that was planned to cross Whangamata to and through the Tihoi Block.'²⁰ Holyoake described this decision as something of an unexpected windfall for him and his partners:

We could scarcely believe our good fortune in this and, to add to it, we learned later in the year that the Department intended to continue its development programme further south and to come right up to our boundary where the road last mentioned joined the Whangamata station. When this road work is completed it will mean that, instead of struggling along ten miles of track of our own making some of it steep and much of it rough — we will have very good roads up to our boundary and then less than four miles of fairly good and even going down to the lake. We felt that marvels would never cease. When we commenced

operations less than three years before we could not have dreamed [that] civilization would come so close so quickly. Wonderful, and again wonderful, is all we could say.²¹

Gustafson remarked that ‘These comments appear to be somewhat disingenuous’.²² He drew from Goldsmith’s interviews in recent years with both the Secretary for Lands at the time, who claimed that Holyoake had applied considerable pressure to get the road started, and a Lands Department official (who later became Director-General of Agriculture), who recalled Holyoake ringing him one night and asking him to realign the road a mile further south so as to give easier access to Whangamata Station. In both cases Holyoake’s approaches paid off. Gustafson also noted the recollections of Harry Lapwood, the MP for Rotorua from 1960, who expressed concern to Holyoake about the ongoing rumours of impropriety and who felt there were people who believed Holyoake and his business partners were ‘exploiting the system’.²³ Beyond that, Gustafson did not comment, leaving it up to readers to come to their own conclusions. Goldsmith was less restrained, noting Holyoake’s ‘great ingenuity for turning events to his advantage’ and the fact that many thought the road construction ‘had the smell of fish’ about it.²⁴

Holyoake would have known for some time that the Crown was going to build roads to access the land being developed to the north and west of the lake. In September 1959 the *Taupo Times* reported that construction of a highway up the western side of the lake would soon commence, and added in October 1960 that ‘The actual construction of the new 33-mile highway is only incidental to the network of roads which must intersect the whole of the Western Bay area now that the development of the new farmlands is well under way.’²⁵ It seems more than likely that the Deputy Prime Minister was well aware of all these impending developments. The question really boiled down to one of timing.

In his comments in the silver jubilee history, Holyoake remarked that ‘In the early stages of our occupation of Whangamata Station we were often worried about who our neighbours on our west would be as the years went by. T.N.G. had suggested that to secure our position we should endeavour to purchase part of the Tihoi block No. 3 from the Maori owners.’²⁶ Just quite what prompted this ‘worry’ is not clear, but it seems likely that the partners were concerned that the neighbouring level lakeside land in Whangamata Bay would be developed by others, thus potentially creating a rival market for their planned sale of holiday sections in Kinloch. The comment also seems to reveal an assumption on Holyoake’s part that Tihoi 3B1’s Māori owners would eventually be parted from their land; T.N. Gibbs’s suggestion was in essence to buy it before someone else did.

The owners of Tihoi 3B1 — a 769-acre block of land with twice the lake frontage at the head of the bay than that enjoyed by Whangamata Station — had long resisted sale. The Crown offered to buy the various partitions of Tihoi 3B in 1919 and a meeting of owners was summoned at Mōkai. At the meeting ‘The owners absolutely refused to entertain the proposal or even discuss it.’ It seems they might have been willing to sell, but not for the amount offered by the Crown.²⁷ The Crown tried again with an increased offer in 1920 and a further meeting of owners of 3B1 was called. On this occasion the owners requested at the outset that the meeting not proceed.²⁸ Undeterred, the Crown kept trying, motivated as

it was by the ‘immensely valuable stands of matured standing timber’ on Tihoi 3B.²⁹ It was aided in this by its ability under section 363(1) of the Native Land Act 1909 (as well as similar provisions under successor legislation in 1931 and 1953) to prohibit for a period not exceeding one year all alienations (including leases) of proclaimed lands other than to it.³⁰ When the year was up it could simply reissue the proclamation. The Native Land Act 1931 removed reference to the proclamation remaining in force for a period not exceeding a year, thus meaning that an alienation restriction effectively became indefinite. Owners became starved of an income and usually relented to a sale. The Waitangi Tribunal has called these powers ‘draconian and completely unjustifiable in terms of the Treaty.’³¹ This, however, is what the owners of Tihoi 3B were subjected to.

Alienation of the Tihoi 3B partitions was first so restricted on 17 June 1919.³² Further restrictions followed in subsequent years³³ including a proclamation in 1933 that remained in force for 23 years.³⁴ It was not until 28 March 1956 that the prohibition of alienation was finally revoked by Order in Council.³⁵ While 3B1 was only one of 15 partitions subject to the restrictions, the timing of the Order in Council does not appear to have been a coincidence. Moreover, Holyoake did not excuse himself from the Executive Council meeting that made the decision.³⁶ Having prevented the Tihoi 3B owners from gaining an income from their land for nearly four decades through these restrictions, and having acquired the bulk of Tihoi 3B in the process,³⁷ the Crown appears to have lifted the restrictions to enable a private sale to the Minister of Agriculture. On 19 March 1956 the assembled owners of Tihoi 3B1 agreed to sell their land to Holyoake.

The alienation of 3B1 did not represent a significant diminution of the remaining Ngāti Tūwharetoa estate, which was larger at the time than that retained by most other iwi. But the Crown’s vigorous purchasing in the Tihoi and neighbouring blocks had left 3B1 as one of the few small parcels of Māori-owned land between Kawakawa Bay and the township of Taupō. Isolated and without road access, and without any means for the owners to develop it, it was vulnerable to sale. That vulnerability was realized in 1956.

Holyoake commissioned his friend Jack Asher to act as his agent in the 3B1 transaction. Asher was a member of Ngāti Pūkenga and Ngāti Pīkiao who had married into Ngāti Tūwharetoa and lived at Tokaanu. On 21 September 1955 he wrote to the registrar of the Māori Land Court in Rotorua attaching an application for a meeting of owners of Tihoi 3B1 to consider a sale to Holyoake’s son Roger. Asher sought a valuation of the block, which was issued by the Valuation Department on 17 October 1955 and which assessed the block at £1080. Despite this, Asher told the court ‘we will offer not less than £2 per acre’.³⁸

On the face of it, Holyoake and Asher had absolutely no business in initiating the purchase of 3B1. The law clearly disallowed any negotiation over land subject to an alienation restriction in favour of the Crown. Section 256(1) of the Maori Affairs Act 1953 stated that ‘Every person who, after the gazetting of any such Order in Council, and during the currency thereof, enters into or continues (whether on his own behalf or on behalf of any other person) any negotiations in breach of the Order in Council shall be guilty of an offence and shall be liable on summary conviction to imprisonment for a term not exceeding three months or to a fine not exceeding two hundred pounds.’ It is a moot point as to why the

activities of Holyoake and Asher were not deemed by the Māori Land Court to be in contravention of this Act.

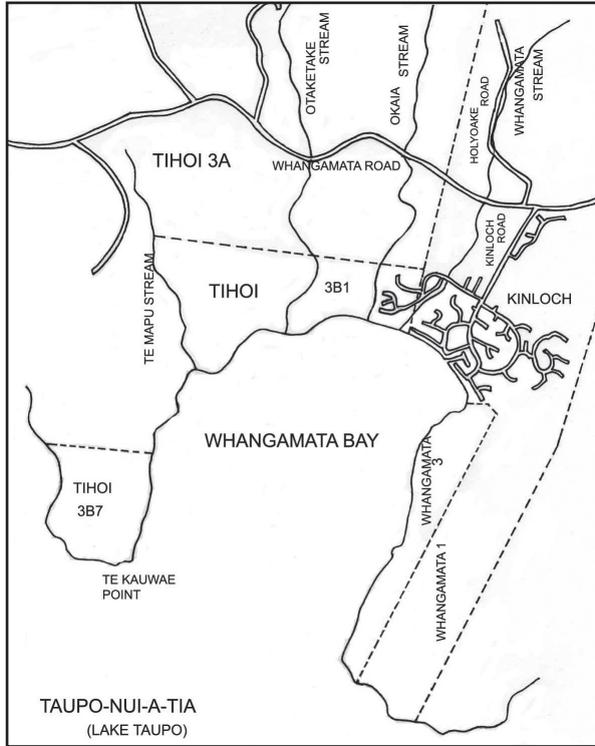


Figure 1: The present-day settlement of Kinloch showing Māori land block boundaries. Drawn by the author.

While Holyoake was determined to set his sons up in farms of their own, as Gustafson relates,³⁹ it seems that the reason Roger Holyoake was nominated as the purchaser of 3B1 was to circumvent section 227(1)(c) of the Maori Affairs Act 1953 which stated that the Māori Land Court could not confirm a sale of land unless it was satisfied that ‘the alienation, if completed, would not result in the undue aggregation of farm land’. This clause was to be read in conjunction with the provisions of the Land Settlement Promotion Act 1952, which in section 31 defined ‘undue aggregation’ as an increase in land ownership that would be considered ‘by ordinary and reasonable standards’ to be ‘excessive’ or more than necessary to support the farmer and his family ‘in a reasonable standard of comfort’.

Asher’s application was heard on 14 November 1955, months before the alienation restriction was lifted. He told the court that Roger Holyoake was ‘a young man serving his cadetship in a farm at Taumarunui. He has no farm land. The father of the applicant is interested in the company which is breaking in

the adjoining land.’ Judge John Harvey referred the matter to the Maori Affairs Department’s land utilization officer ‘for a full report’ and noted that ‘The applicant is required to file a declaration that the proposed sale will not contravene the provision in the act aimed at preventing undue aggregation of farm land’.⁴⁰ Roger Holyoake signed his statutory declaration on 30 December 1955. In it he affirmed, amongst other things:

3. That at the said date [20 September 1955, the date of the application for the meeting of owners] I did not hold any land as the beneficial owner, lessee, or otherwise thereof, whether jointly or in common with any other person,

4. That I am acquiring the land stated in the said application for purchase solely for my own use and benefit, and not directly or indirectly for the use or benefit of any other person

And I make this solemn declaration conscientiously believing the same to be true, and by virtue of the Justices of the Peace Act, 1908.⁴¹

This statement bears some scrutiny. Roger held a one-sixteenth share in the adjoining Whangamata Station partnership, rather than in the land itself, which may possibly mean that his declaration that he held no land interests was correct. But he clearly was not acquiring the land solely for his own use and benefit. Holyoake wrote at some point, presumably late in 1956, that ‘This block, 700 acres, was acquired by Roger during the year After some reservation of lake frontage the block will be included with Whangamata station in the partnership.’⁴² In addition, the Department of Statistics wrote to the Department of Maori Affairs on 2 May 1958 seeking farm production statistics for Tihoi 3B1 prior to its recent sale. The letter explained that advice had been received ‘from Whangamata Station that they have purchased an additional 769 acres — Tihoi 3B No. 1.’⁴³ Amongst Holyoake’s papers there is also an agreement between the Whangamata Station partners of March 1959, which states that ‘In view of present urgent requirements for finance for the carrying on of the farming project’ there would, *inter alia*, be ‘a transfer’ of part of the purchased Tihoi 3B1 Block. Most tellingly, the agreement stated that ‘The Tihoi 3B Block of 769 acres was acquired by Roger Holyoake with funds provided by the partnership and he will when called upon transfer the area to the partnership’.⁴⁴ Holyoake senior himself sent the payment to the registrar of the Māori Land Court on 10 August 1956, writing his covering letter on ‘Office of the Minister of Agriculture’ letterhead.⁴⁵

What did Gustafson make of Roger Holyoake’s purchase of Tihoi 3B1? Essentially, he relied on Goldsmith’s commentary, who viewed the alienation file for Tihoi 3B1. Gustafson casually noted that ‘The Maori land laws prohibited the sale of Maori land to persons who owned adjoining land, but Holyoake attended a meeting of owners of the Tihoi Block on 19 March 1956 and was welcomed by [Hepi] Te Heuheu’.⁴⁶ The implication seems to be that this welcome was some kind of validation. While Gustafson went on to note both that Roger purchased the land with partnership funds and the land was in due course transferred to the partnership, he seemed to attach no significance to these facts. Goldsmith’s account is similar. He wrote that ‘The Maori land laws stated that a person with land adjoining Maori land could not buy a Maori block, so Keith’s son Roger

Holyoake bought the block and then added it to the Gibbs–Holyoake partnership.⁴⁷ Goldsmith passed no judgement on this either, even though his very description makes the transaction seem unethical at best.

As noted, the land utilization officer was asked by the court to provide a report on the block. The officer, Murray Linton, completed his report on 27 January 1956. In it he described the block as ‘an isolated piece of Maori land 3B1 has no access unless it can be arranged with the Crown when development to the north takes place. The area would make a very good economic unit when developed as it is fairly well watered and has a carrying capacity of 2 ewes per acre.’ Crucially, Linton also made the following observations:

There appears to be about 20 chains of very good beach frontage at the eastern edge of the block. I should think that sections here would lease very readily though access would necessarily be by water. I have some recollection of hearing that proposals were in mind for the subdivision of the beach frontage adjoining but no scheme plan has yet been lodged. The amount by which this potential subdivision area would enhance the value of the block is the only complication I can see in the proposals.⁴⁸

In other words, Linton described the land in favourable terms, with poor access but good potential for future development.

In the meantime, Asher forwarded Roger Holyoake’s statutory declaration and asked how soon the meeting of owners could be called. An annotation from Linton dated 27 January 1956 appears on the bottom of Asher’s letter. It states: ‘Report herewith. See Judge Prichard re calling meeting of owners — Perhaps Court will require to know if Lands Dept will be developing in area & so open the land up for Maori farming — Please ascertain’.⁴⁹ Nevertheless, Judge Ivor Prichard consented to the application to call a meeting of owners and Asher was informed on 6 February 1956. He was also invited to ‘advise a date sometime after the 1st March and a place most suitable to the majority of the owners concerned’.⁵⁰ Asher replied on 28 February 1956 and explained that Holyoake would attend on behalf of his son. Asher gave several dates in mid and late March that Holyoake could attend a sitting in Tokaanu.⁵¹ The meeting was accordingly set down for 19 March 1956.

Notice of the meeting was given on 1 March, which gave owners 18 days to make arrangements to attend or be represented by proxies. It is clear that some lived in Tokaanu, but they were not the majority.⁵² For whatever reason, when the meeting took place only six owners were present out of a total of 51. A further five voted by proxy, with their votes having been collected and witnessed by Asher himself in the preceding days.⁵³ At this stage, of course, the alienation restriction was still in place.

At the meeting Hepi Te Heuheu welcomed Holyoake and stated that the owners had debated the matter at length and had come to a decision ‘favourable’ to Holyoake. Said Te Heuheu: ‘We are very pleased and proud to think that your visit today will commence a long association with Tuwharetoa. I might say that our decision is unique, as in most cases L.s.d is the main factor, but in this case we have taken you as a man into consideration, & we have decided to approve of the resolution.’ Tuhi Te Waha then said the decision had been ‘unanimous’: ‘Hepi our

chief has already expressed our good wishes to you, and I can only endorse what he has said. I must also congratulate the owners on their decision, and formally second the motion.’ The resolution was carried and Holyoake ‘spoke at length thanking the owners’.⁵⁴

While Hēpi Te Heuheu, ariki of Ngāti Tūwharetoa and chair of the Tūwharetoa Māori Trust Board, was a person of considerable authority, the owners were not unanimous about the sale. The Māori Land Board in Rotorua received an urgent telegram on the afternoon of the meeting from Rore Rangihēua, of Foxton, who owned a 34.6 acre share of the block, stating ‘Will not sell Tihoi 3B1’. But such a protest was forlorn, for all that was needed to pass the motion was a vote in favour by a majority (in terms of shares held) of those who voted.⁵⁵ The interests of those present or represented by proxies amounted to only 218 acres out of 769. The sale confirmation hearing took place on 12 July 1956.

Goldsmith noted that the sale ‘created a stir in the local community’, and the ‘quick appearance of a road opening up the area heightened the irritation of those Māori owners who had opposed the sale of 3B1’.⁵⁶ This is no wonder; the owners had needed roads for decades. At the Native Land Court partition hearing of Tihoi 3B in 1915, Tuturu Honetere Paerata had told Judge Browne:

We have arranged a partition of this block but I would first ask that roads be laid off as follows

- 1 To branch off the Taupo Oruanui Road to run in a westerly direction to the Waihaha Block
- 2 To branch off from the Atiamuri Road and to run South West through the Block so as to join Road No 1, and then to branch off to Kakaho.
- 3 Branch from the Atiamuri Road so as to give access to 3B No 1⁵⁷

In 1956, however, 3B1 remained isolated and landlocked.

In August 1964 *N. Z. Truth* published a front-page story about the establishment of Kinloch under the title ‘PM in hush-hush deal’. The item mentioned the construction of the highway and the purchase of Tihoi 3B1 by Roger Holyoake. The main thrust of the story seems to have been that the extent of the Prime Minister’s involvement had not been revealed. T.N. Gibbs was reported as saying, for example, that Holyoake’s name was kept off the title to Whangamata No.1 to avoid the public jumping ‘to the wrong conclusions’. The article concluded: ‘The pity of the affair is the secrecy that has surrounded its promotion. Had the venture been carried out in an open straightforward manner there would have been no encouragement for the tide of whispered suspicions that high-level participation has made the Kinloch scheme tick.’⁵⁸

Taupō’s mayor, J.E. Story, was quick to leap to Holyoake’s defence, arguing in the subsequent edition of *Truth* that the Kinloch development was taking place on lands that had long been idle: ‘The central part of the North Island has been a no-man’s land long enough. Any development within 30 miles of our town is to our benefit — so the Prime Minister or anyone else is welcome to take any interest.’ *Truth* responded that Story had ‘missed the whole point’ of its article, ‘which was: Why was Mr Holyoake’s name not recorded on the title of the land?’⁵⁹

Writing in 1995, journalist Ross Annabell — who had covered the development

of Kinloch in the 1960s⁶⁰ — first described the extent of Māori disquiet about the loss of Tihoi 3B1. He quoted from a ‘press statement no newspaper would publish’ issued at the time by Paani Otene, who was secretary of the Waipahihi Maori Tribal Committee. Otene wrote that the interests of the majority of the owners had been overlooked:

The proceedings revealed by the Maori Land Court files are surprising — such an attitude by the Elders when considering other owners’ interests may have been custom a hundred years ago but is certainly not custom today. The days of the tomahawk and red blanket have gone. The absence of so many of the owners is not surprising when one considers the over-aweing presence of a Minister of the Crown so far as a simple Maori is concerned. Of course, not many Europeans would dream of taking advantage of position and circumstances to obtain Maori land interests at the nominal Government valuation as has happened in this instance. But the whole thing is a pity — it does not help inter-racial harmony.⁶¹

Annabell received a copy of this statement from C.J.N. Newbold, a Labour Party official who was attempting to expose what he saw as Holyoake’s questionable ethics. Annabell submitted stories about the Tihoi 3B1 transaction over the years, but it was not until the *Independent* published him in 1995 that a newspaper finally agreed to run the story.⁶² That year Māori occupying Moutoa Gardens in Whanganui replaced the head on John Ballance’s statue with a pumpkin in protest at his treatment of Māori in the nineteenth century. Annabell suggested they may have got ‘the wrong guy’.⁶³

Annabell retains in his possession a statement written by Newbold in September 1964 in response to both the *Truth* article about Holyoake and the defence mounted by Mayor Story. Newbold wrote: ‘I feel these gentlemen should be taken to task on this vital question of ethics that concerns all people of principle, a question above party politics’. He continued:

The point at issue is: Not whether Mr Roger Holyoake contrived to obtain Maori Land Court sanction to the sale of a valuable 700 acre block of lake front land at a reported £2 per acre, although this is of course of considerable public interest; not whether a syndicate purchased a valuable block of lake front land from an afforestation company at a reported 14/- an acre, although this is possibly of interest to the ordinary shareholders of that company;⁶⁴ not whether a Prime Minister should participate in land development in the Taupo district — of course he should provided all is fair; not whether Lands and Survey or any public money provided roading in the area, although this is also of considerable public interest; but whether any person in public office should, with the extra knowledge that must inevitably be available to them, participate in land dealing, speculation or the acquisition of wealth in such a manner.⁶⁵

Newbold may have been the *Truth* letter-writer who was published on 29 September 1964 under the name ‘Interested Party’ of Taupō. This correspondent wrote that the Labour Party ‘was advised of the transaction and of the names of those concerned immediately following the purchase of the land’ but ‘Labour Party leaders’ decided to ‘take no action on the matter’. The ‘whole business’, stated the writer, ‘reflects no credit on either party, National or Labour’.⁶⁶

Over the years interest in Holyoake’s acquisition of Tihoi 3B1 has not gone

away. The registrar of the Māori Land Court in Rotorua, Henry Colbert, wrote a memorandum to the court's head office on 6 November 1985, attaching the key documents from the Tihoi 3B1 alienation file (including Linton's report, Roger Holyoake's statutory declaration and the minutes of the 19 March 1956 meeting) and rather cryptically stating that 'These extracts paint a crystal clear portrait'. Colbert also referred to his colleague Harris Martin recalling 'the File being called on a[s] regularly as Elections'.⁶⁷ On the file, as well, someone has added underlining to Linton's remark about the '20 chains of very good beach frontage' enjoyed by Tihoi 3B1.

There are two claims to the Waitangi Tribunal that raise grievances about Kinloch, both filed in 2004 by Tawiri-o-te-rangi Hakopa on behalf of Ngāti Parekawa, Ngāti Te Kohera, Ngāti Wairangi and other hapū.⁶⁸ Hakopa held an 11-acre share of Tihoi 3B1 at the time of the sale to Holyoake and was not amongst the 11 owners who participated in the transaction. In evidence to the Tribunal's Central North Island inquiry, Hakopa explained the long-term isolation of Tihoi 3B and the alienation restrictions imposed upon it and added that, after decades of this, 'Holyoake purchased the Tihoi Block 3[B1], and then the Western Lakes highway was put through to Kinloch across the Crown's lands. As a result the value of Tihoi Block 3[B1] rose enormously because it included over 20 chains of Lakeside land.'⁶⁹ In a further statement, Hakopa queried the legality of the Māori Land Court process given the prevailing alienation restriction, and asked 'did the status of the purchaser (he did attend the meeting of owners on 19th March 1956 although he was not going to be the eventual owner) have any influence on any of the aforementioned proceedings'? With respect to the 37 years of prohibition on alienation, Hakopa wrote 'Sounds like legal raupatu to me'.⁷⁰

Despite all this, in his biography of Holyoake Gustafson did not mention the existence of any dissatisfaction over the Tihoi 3B1 purchase. This cannot be because Kinloch was a peripheral issue in Holyoake's life; when asked on his deathbed what his proudest achievement had been, Holyoake replied 'Kinloch'.⁷¹

The first sections sold in Kinloch in 1959. Sales were 'phenomenally rapid', according to the Taupo County Commissioner, with prices ranging from £550 to £1500.⁷² One 32-perch section, therefore, sold for about the same amount that the 769 acres of Tihoi 3B1 had sold for three years earlier. Kinloch's transformation from isolated rural land to a playground for the well-off had begun.

In December 1960 the partners in Tihoi 3B1 advised the Taupo County Council of their plans for the second stage of the subdivision, which they felt would need to be at least 150 sections 'over and above those already provided for on the scheme plan'. The response of Mr U.R. MacDonald was that the developers should be told 'in no uncertain manner that [they] would have the county's support on the proposals'. Said MacDonald: 'There should be no doubt in their minds that we will be right behind them. We should put no arbitrary limit on the number of sections they want.'⁷³ A 1973 proposal for an additional 500–600 sections (including the use of Tihoi 3B1), however, was rejected by a council planner because it made 'little reflection on landuse proposals and neither relates a comprehensive policy necessary for co-ordinated and orderly development'. The partners' problem was that 'environmental protection for both the Lake and its environs' had become a

significant issue in planning policy.⁷⁴

It was only a matter of time, though, until holiday homes covered parts of the former Tihoi 3B1. Plans were revealed for a major extension of Kinloch on the north-western side of the Whangamata Stream in early 2001, prompting vehement opposition from existing residents. But approval was granted by the Taupō District Council and Environment Waikato in July of that year. When the six lakefront sections in the 'Holy Oaks' subdivision (on what was Tihoi 3B1's 'very good beach frontage') were auctioned in early 2002, they fetched prices of between \$555,000 and \$630,000 each.⁷⁵ The latter sum was nearly ten times the equivalent payment for the entire Tihoi 3B1 block in 1956.

A representative of local Māori, Sam Andrews, told a gathering of Kinloch residents in February 2001 that Māori were concerned about impacts on the Whangamata Stream of the proposed Holy Oaks development. The developers (Lisland Properties Ltd, who had acquired the land in the 1990s), he said, had not consulted with them.⁷⁶ Effectively, Māori had been reduced to mere supplicants, along with other members of the public, during council-run consent processes over Kinloch's development. The Tihoi 3B1 sellers do not seem to have enjoyed the mutually beneficial relationship (the 'long association' with Holyoake) that Hepi Te Heuheu hoped for in 1956.

Precious little of the foregoing story is in Gustafson's biography of Holyoake.⁷⁷ The Māori sellers of Tihoi 3B1 seem to have been well off his radar. McAloon wrote that Gustafson had shown Holyoake to have exerted his influence and mixed business with politics but to have 'avoid[ed] outright impropriety' at Kinloch.⁷⁸ But would he be so willing to leap to this conclusion if Gustafson had traversed Kinloch matters in the detail they probably deserved?

All of this begs the question as to just when both ministerial insider trading (as one might describe the purchase of Tihoi 3B1, given Holyoake's almost certain knowledge that a road would shortly end the land's isolation) and the pulling of official favours become impropriety. Holyoake seems to have walked the line like an art form. When the Kinloch marina was completed in 1962 — having set the partners back some £35,000 — Ian Gibbs wondered if Holyoake might perform the official opening, although he acknowledged 'you may well feel that it would be inappropriate because of your financial interest in the project'. Holyoake must have felt so too, for he tried in vain to have one of his ministers perform the ceremony instead. In the end he resorted to Lapwood as the local MP, who readily agreed. He wrote to Lapwood that 'You know how interested I am in this project but it would be quite inappropriate for me to take a prominent part at the official opening and I can think of no safer course than to ask the local member.' The truth, of course, was that he had wanted a Cabinet minister to officiate instead.⁷⁹ In 1967, too, he put repeated pressure on Brian Talboys, his Minister of Agriculture, to provide a detailed response to Ian Gibbs about the qualities of an American weed control company's equipment and the potential for importing it into New Zealand. Gibbs had suggested to Holyoake that the equipment might help solve their ongoing problem of weed and algae at the marina.⁸⁰

There were, in fact, rules in the 1960s to guide ministers of the Crown over conflicts of interest. Elizabeth McLeay notes that, in 1954, Dean Eyre, the Minister of Customs as well as Industries and Commerce, proposed to travel

overseas in connection with his business as an importer. Sensing the potential for the perception of a conflict of interest, Prime Minister Sid Holland swapped his ministerial portfolios with those of the Minister of Social Welfare. Holland explained that 'In public administration it is important that the actions of Ministers should not only be right in themselves, but that they should manifestly appear to be so to the man in the street'.⁸¹

As an upshot of Eyre's exchange of portfolios, a select committee was set up to establish written rules about ministers' business interests. The committee was formed in April 1956, during Holyoake's purchase of Tihoi 3B1, and reported on 25 October the same year. Its guidelines remained current until they were subjected to some amendments in 1990.⁸² Holyoake sat on the committee, which established two 'basic principles'. The first of these was that 'A Minister must ensure that no conflict exists, or appears to exist, between his public duty and his private interests'. By way of further explanation, the committee stated that the minister 'should not allow a situation to arise in which his personal or private interests interfere with the proper performance of the duties of his office'. The second principle was that 'A Minister of the Crown is expected to devote his time and his talents to the carrying out of his public duties'.⁸³ The committee then set out a series of rules to be followed in the application of the principles. Most notably, in Holyoake's case, one of these stated that 'A Minister who, prior to assuming office under the Crown, was engaged in the conduct of his own business whether alone, in partnership, or as an incorporated company, should cease to carry on the daily routine work of the business or to take an active part in its day to day management'. The committee noted that, while the principles were not rules of law, they nonetheless 'set the standard which Parliament and the people expect a Minister of the Crown to observe'.⁸⁴ Holyoake thus subscribed to principles of behaviour that he arguably failed to live up to himself, given his active involvement in the Kinloch partnership, even if his business activities there began while already a minister.

In current publicity for another new subdivision at Kinloch, 'Loch Eagles', the developers inform potential purchasers that 'Kinloch stands today as a testament to the clear foresight of [a] New Zealand Prime Minister's magnificent early vision'.⁸⁵ While Holyoake did regard Kinloch as his proudest achievement, many of his dealings over it were at least at the edge of impropriety. Apart from the fortuitous road construction, his deployment of government resources to maximize the success of his investments was at times dubious. After 1956 his conduct was arguably in breach of the rules of ministerial behaviour that he helped write, while before that date it might itself have been the prompt for the very formulation of such rules, had the Prime Minister been aware of it or had it attracted publicity. There is also, of course, the purchase of Māori land that Holyoake orchestrated, which has left a sense of grievance amongst local Māori to this day. By seeking to initiate a purchase when such an approach was disallowed, and having his son buy the land for him because of provisions about the undue aggregation of farmland, Holyoake was arguably circumventing the law. Nor does his participation in the Executive Council decision that allowed his purchase of Tihoi 3B1 to go ahead appear to have been appropriate.

At Kinloch Holyoake took his place in the tradition of New Zealand politicians

who have mixed official business with the personal acquisition of Māori land.⁸⁶ But while such activity was practically standard behaviour in the nineteenth century,⁸⁷ the rules around conflicts of interest for ministers in the 1950s and 1960s were not significantly different from those enshrined today in the *Cabinet Manual*, albeit with the important addition in 1990 of the register of ministers' pecuniary interests.⁸⁸ This change aside, the level of public scrutiny of politicians today is clearly different, and a minister acting in a similar manner to Holyoake would likely come unstuck rather quickly. That is as much a reflection of changing times as it is of Holyoake himself; in his day a different culture clearly prevailed, despite the advent even of the 1956 rules. In the climate of the day Newbold got no traction, Otene's complaint fell on deaf ears and Annabell could not find a publisher for his story. Only *Truth* brought the matter to public attention.

In *Kiwi Keith* Gustafson left out most of the more questionable aspects of Holyoake's dealings at Kinloch, and the biography is the poorer for that. As Bassett noted with respect to some of Holyoake's shadier exploits: 'Gustafson mentions these, but doesn't weigh them. If a biographer with all the facts at his finger-tips won't reflect on such character fundamentals, who else can?'⁸⁹ It is unlikely that we have heard the last of Kiwi Keith's dealings at Kinloch.

PAUL HAMER

Institute of Policy Studies, Victoria University of Wellington

NOTES

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1 Jim McAloon, Review of Barry Gustafson, *Kiwi Keith: A Biography of Keith Holyoake*, Auckland, 2007, *New Zealand Journal of History* (NZJH), 42, 1 (2008), p.103.

2 Michael Bassett, 'Day of the Locusts', *New Zealand Listener*, 16 December 2007, pp.34–35.

3 Vic Evans, 'Suspensions of bias in Holyoake biography', *Nelson Mail*, 12 December 2007, p.31.

4 McAloon, p.103.

5 John Roughan, 'Finding the true Kiwi Keith', *New Zealand Herald*, 23 November 2007, p.22.

6 Bassett, p.34.

7 The focus here on Kinloch is not intended to serve as indictment on the whole of Gustafson's biography and nor, of course, on the entirety of Holyoake's career. It is merely an attempt to grapple with a specific yet important matter in Holyoake's life, and to comment on how adequately his biographer has covered it.

8 Keith Holyoake, 'Early development of Whangamata Station', in *Kinloch: A History of Kinloch Published in Conjunction with the Kinloch Silver Jubilee 1959-1984*, Kinloch, pp.5–6.

9 'Whangamata Block No. 1 History' (1959), Holyoake Papers, MS Papers 1814: 87/4, Alexander Turnbull Library, Wellington (ATL); Holyoake, p.4.

10 Certificate of title 625/111, Land Registry Office, Wellington.

11 'Whangamata Block No. 1 History' (1959), Holyoake Papers, MS Papers 1814: 87/4, ATL; Holyoake, pp.4, 6.

12 Holyoake Papers, MS Papers 1814: 87/4, ATL.

13 Fawcett wrote that he was responding to a phone call from Holyoake.

14 There appears to be £10,000 missing from this calculation.

15 'Whangamata Estimates of financial outlay', no date, Holyoake Papers, MS Papers 1814:87/4, ATL.

16 See Barry Gustafson, *Kiwi Keith: A Biography of Keith Holyoake*, Auckland, 2007, pp.78–79.

17 Ian Gibbs to T.N. Gibbs, Holyoake Papers, MS Papers 1814: 82/1, ATL.

18 Holyoake, pp.8, 11.

19 Paul Goldsmith, *T. N. Gibbs*, Auckland, 2002, pp.99–100.

20 Holyoake, pp.6, 7, 11.

21 *ibid.*, p.11.

22 Gustafson, p.83.

23 *ibid.*, pp.83–84.

24 Goldsmith, pp.102, 103.

25 'Confirmation of plans for west lake road', *Taupo Times*, 24 September 1959, p.1; 'Back country could be brought closer to Taupo', *Taupo Times*, 4 October 1960, p.1.

26 Holyoake, p.10.

27 T. Anaru (representative of the Board) to president, Waiariki District Maori Land Board, 9 December 1919, Maori Affairs file MA 12/9773, held at Māori Land Court, Rotorua.

28 Herbert R. Macdonald (representative of the board) to president, Waiariki District Maori Land Board, 6 July 1920, MA 12/9773.

29 Director of Forestry to Commissioner of State Forests, 29 March 1928. Quoted in Terry Hearn, *Taupo-Kaingaroa Twentieth Century Overview: Land Alienation and Land Administration 1900-1993*, report commissioned by the Crown Forestry Rental Trust, September 2004 (Waitangi Tribunal Wai 1200 inquiry document A68), pp.321–2.

30 See section 442(1) of the Native Land Act 1931 and section 254(1) of the Maori Affairs Act 1953.

31 Waitangi Tribunal, *Mohaka ki Ahuriri Report*, Wellington, 2004, II, p.689.

32 *New Zealand Gazette*, 19 June 1919, p.1842.

33 See, for example, *New Zealand Gazette*, 10 April 1930, p.1131.

34 *New Zealand Gazette*, 13 April 1933, p.736. See also Hearn, pp.321–2.

35 *New Zealand Gazette*, 5 April 1956, p.476.

36 Minutes of Executive Council meeting of 28 March 1956, Executive Council (EC) 1/44, National

Archives (NA), Wellington.

37 See Hearn, p.322.

38 MA 12/9773.

39 Gustafson, p.85.

40 MA 12/9773.

41 *ibid.*

42 Holyoake, p.10.

43 MA 12/9773.

44 'Whangamata Station. Treatment of "excluded areas"', March 1959, Holyoake Papers, MS Papers 1814: 87/4, ATL.

45 MA 12/9773.

46 Gustafson, pp.82–83.

47 Goldsmith, p.102.

48 MA 12/9773.

49 J.A. Asher to registrar, Waiariki Maori Land Board, 17 January 1956, MA 12/9773.

50 District Officer to J.A. Asher, 6 February 1956, MA 12/9773.

51 J.A. Asher to registrar, Department of Maori Affairs, Wellington, 28 February 1956, MA 12/9773.

52 According to court records, in September 1955 owners for whom addresses were known were dispersed between Rātana Pā (1), Foxton (4), Moawhango/Taihape (9), Mōkai (1), Taumarunui (15), and Tokaanu (10).

53 MA 12/9773. While this was allowed owing to Asher being a licensed interpreter, it seems to conflict with his role as the would-be purchaser's agent.

54 Notes of Harris Martin, recording officer, MA 12/9773.

55 Section 311(1), Maori Affairs Act 1953.

56 Goldsmith, p.103.

57 Taupō Minute Book 28, folios 3–4, 19 March 1915, MA 12/9773.

58 'PM in hush-hush deal — secrecy spoiled Kinloch scheme', *N. Z. Truth*, 25 August 1964, pp.1, 7.

59 'Mayor defends PM's land deal — but he missed the point', *N. Z. Truth*, 1 September 1964, p.15. It seems the land title referred to here is Whangamata No. 1, but the 25 August 1964 *Truth* story also made a point of the contrast between Roger Holyoake's purchase of Tihoi 3B1 and T.N. Gibbs's view that it 'belonged to the partnership'.

60 See, for example, 'Now Kinloch will have everything', *Daily Post* (Rotorua), 17 October 1963, unpaginated clipping, Ross Annabell's personal papers; 'Land boom at Kinloch', *Daily Post* (Rotorua), 1 February 1966, p.6.

61 Ross Annabell, 'Holyoake and a tradition of land-grabbing Kiwi politicians', *Independent*, 2 June 1995, p.28. The quotation is drawn from the original copy of Otene's statement amongst Annabell's personal papers, which differs slightly in wording from that quoted in the *Independent* story.

62 Personal communication from Ross Annabell, 10 September 2008. In a letter from Annabell to Newbold in Annabell's papers, dated 'Tues.Feb.14' (which, since it mentions the *Truth* story, is probably 1967, the first year after 1964 that 14 February was a Tuesday), for example, Annabell refers to an attempt to get the editor of *Sunday News* interested in the story. Annabell writes 'I gave him a bare outline of the facts, and he wants to publish it. Reckons he'll get it through, no matter what the board thinks. Got my doubts — but think I might give him a go.'

63 Annabell, 'Holyoake and a tradition of land-grabbing Kiwi politicians', p.28.

64 Newbold clearly believed that New Zealand Forest Products had sold its Whangamata No. 1 land to its employee, Ian Gibbs, at an unusually low price.

65 Personal papers of Ross Annabell.

66 *N. Z. Truth*, 29 September 1964, p.24.

67 Henry Colbert, registrar, to Chief Registrar, 6 November 1985, MA 12/9773.

68 Waitangi Tribunal claims Wai 1193, 28 June 2004, and Wai 1207, 28 October 2004. The latter is also recorded as Central North Island inquiry (Wai 1200) document 1.1.167.

69 Statement of evidence of Tawiri-o-te-rangi Hakopa, Central North Island inquiry (Wai 1200) document D14, February 2005, p.3.

70 Second statement of evidence of Tawiri-o-te-rangi Hakopa, Central North Island inquiry (Wai 1200) document G14, 15 April 2005, pp.3, 4. Emphasis in original.

71 Gustafson, p.88. Nor, for that matter, is Kinloch mentioned in G.A. Wood's entry on Holyoake in

the *Dictionary of New Zealand Biography*. See G.A. Wood, 'Holyoake, Keith Jacka', in *The Dictionary of New Zealand Biography, Vol. Five, 1941–1960*, Auckland and Wellington, 2000, pp.233–5.

72 *Taupo Times*, 16 April 1959, p.3; *Kinloch*, p.17.

73 'Forward-thinking plans for Kinloch', *Taupo Times*, 20 December 1960.

74 Peter Crawford, *Development of Kinloch, Whangamata Bay, Taupo: A Study of the Policy and Planning of the Kinloch Settlement*, Taupo County Council, Special Report No. 2, April 1974, pp.1, 16.

75 See 'Hostile meeting on lakeside development', *Taupo Times*, 8 February 2001, http://www.knowledge-basket.co.nz/ezproxy.auckland.ac.nz/search/doc_view.php?d20=ffxstuff/text/2001/STF/02/02/doc01863.html (accessed 2 December 2009); 'Lakeside development no game for locals', *Sunday Star Times*, 1 July 2001, p.7; 'Holy Oaks attracts interest', *Dominion*, 8 November 2001, p.20; and 'Ex-Holyoake lakeside properties set record prices', *National Business Review*, 15 February 2002, p.29.

76 'Hostile meeting on lakeside development'.

77 Nor is it in Goldsmith's, although this is understandable since his focus was on the life of T.N. Gibbs.

78 McAloon, p.103.

79 Ian Gibbs to Keith Holyoake, 27 February 1962; Keith Holyoake to Ian Gibbs, 7 March 1962; Keith Holyoake to Harry Lapwood, 8 March 1962. Holyoake Papers, MS Papers 1814: 175/2, ATL.

80 Ian Gibbs to Holyoake, 8 May 1967; Talboys to Holyoake, 7 June 1967; Phil Barnes (Holyoake's principal private secretary) to Talboys' private secretary, 9 June 1967; Talboys' secretary to Barnes, 26 June 1967; Holyoake to Talboys, 30 June 1967; Holyoake to Ian Gibbs, 11 July 1967; Talboys to Holyoake, 13 November 1967. Holyoake Papers, MS Papers 1814: 385/2, ATL.

81 Elizabeth McLeay, *The Cabinet and Political Power in New Zealand*, Auckland, 1995, p.192.

82 *ibid.*, p.193.

83 'Ministers' Private Interests Committee', *Appendices to the Journals of the House of Representatives*, 1956, I-7, p.3.

84 *ibid.*, p.4.

85 'About Kinloch', www.locheagles.co.nz/kinloch.asp (accessed 30 August 2010).

86 As an example, the Waitangi Tribunal has noted that 'The leading lights in [nineteenth-century] Hawke's Bay political and Maori affairs were heavily involved in the acquisition of Maori land, either indirectly from the Crown or later directly from Maori under the Native Land Acts.' Waitangi Tribunal, *Mohaka ki Ahuriri Report*, I, p.134.

87 Russell Stone wrote in the first edition of this journal that the 1879–1880 'contest over the right to buy Maori lands outlined in this article is a reminder that political power was viewed by those who sought to exercise it as key to sectional and personal profit as well as to district advantage'. R.C.J. Stone, 'The Maori Lands Question and the Fall of the Grey Government, 1879', *NZJH*, 1, 1 (1967), p.50. Vincent O'Malley describes similar levels of self-interest over land amongst politicians in the 1860s, many of whom were still in Parliament during the fall of the Grey administration described by Stone. Vincent O'Malley, 'The East Coast Petroleum Wars: Raupatu and the Politics of Oil in 1860s New Zealand', *NZJH*, 42, 1 (2008), pp.60-79.

88 A similar register for all MPs was introduced in 2002. The *Cabinet Manual* states that a pecuniary conflict of interest 'may arise if a Minister could reasonably be perceived as standing to gain or lose financially from decisions or acts for which he or she is responsible, or from information to which he or she has access'. Department of Prime Minister and Cabinet, *Cabinet Manual 2008*, Wellington, 2008, p.27.

89 Bassett, p.34.