

A revealing saga: New Zealand Maori MP faces charges over misuse of funds

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New Zealand Maori MP, Donna Awatere Huata, last November appeared in court to face charges brought by the Serious Fraud Office (SFO), after a nine-month investigation into the use of public funds by private businesses and trusts associated with her family. Just before Christmas, with court proceedings pending, she survived an unsuccessful attempt by her own party—the Association of Consumers and Taxpayers (ACT)—to have her removed from parliament. She was however expelled, with considerable fanfare, from the party caucus but rejected demands to resign her seat.

The SFO launched an investigation into Huata's affairs following claims that she had defrauded more than \$92,000 from the Pipi Foundation, a government-funded trust she had established to improve reading among predominantly working class Maori children. A former employee supplied the *Dominion Post* with a series of documents, which it used in a relentless six-month campaign against Huata, alleging misuse of public monies. The allegations prompted an inquiry by the Auditor General, who confirmed that nearly \$2 million in public funds had gone to organisations associated with Huata, and identified two instances in which she had used her position as an MP for financial gain.

Prior to the scandal, Huata had been the fifth-ranked list MP for ACT, a right-wing opposition party, which advocates the most extreme free market policies, including tax breaks for the rich, the removal of all restraints on business and the dismantling of essential social services. It makes a populist appeal by posturing as the defender of “taxpayers’ money” and opponent of government “waste”, thereby encouraging sharper attacks on public services. Huata had been ACT's spokeswoman for education and Maori affairs.

Following Huata's axing, party leader Richard Prebble turned on her with a vengeance, using parliamentary debates to force the spotlight on her as often as possible. While there has been considerable embarrassment for his own party throughout the affair, ACT's response has been to carry out its own witch-hunt. If the courts convict Huata, she will be forced to resign her seat—the first MP to do so in such circumstances since Labour MP Paddy Webb lost his seat during World War I after receiving to two years' hard labour for being a conscientious objector.

On the basis of the Auditor General's report, the Labour government has itself launched a crackdown on sections of the public service—in particular the funding of contracts to non-government organisations (NGOs). State Services Minister Trevor Mallard has demanded the Audit Office “run the ruler” over NGO contracts to ensure the “practices” exposed in the Huata-related loans are stamped out. The report had criticised three government entities—the Ministry of Education, Te Puni Kokiri and the Community Employment

Group—for inadequate oversight of contracts. As a result the government is now demanding greater emphasis on cutting costs while placing increasingly stringent demands on such organisations.

By the usual standards of bourgeois politics the sordid details of the scandal are not especially remarkable. Rather, the significance of Huata's rise and fall lies in what it reveals about the exhaustion of protest politics and the perspective of advancing the interests of the Maori people through piecemeal reform. Along with a number of other recent developments, it signals a shift in policy with regards to the “Maori question” among sections of the New Zealand ruling elite.

The Labour Party when it held office between 1984 and 1990 consciously promoted ethnic politics, in the form of “bi-culturalism”, at the same time as it was launching its extensive pro-market reforms that made profound inroads into the position of the working class. Both policies were part of a common political agenda bound up with the globalisation of production and the demands of international finance capital for the removal of all restraints on its operations.

Labour justified bi-culturalism as necessary to reduce social and economic disadvantage, but its real purpose was to establish a privileged Maori elite, with definite interests rooted in the profit system. The aim was to divide the working class along ethnic lines by promoting the view that the problems confronting ordinary Maori can be solved by a return to Maori culture and language. Maori form about 20 percent of the New Zealand population and are among the most oppressed sections of the working class.

The process, initiated by Labour and expanded by subsequent governments, allowed Maori tribes to claim compensation for land seizures and other oppressive acts by the early British colonial authorities. A narrow layer of aspiring Maori lawyers, bureaucrats, entrepreneurs, union officials and political leaders seized the opportunity to cash in on the previous 150 years of dispossession, exploitation and impoverishment of the Maori people.

The principal instrument for implementing this policy was the previously unused Treaty of Waitangi—a document signed in 1840 by the main Maori chiefs and the British colonial governor, William Hobson. It purported to give Maori the rights of British subjects while protecting their own traditional interests, including their tribal lands, and promising Maori the right to govern their own affairs. The treaty was, in reality, a worthless piece of paper, behind which the colonial authorities launched a series of military campaigns against the Maori tribes, subjugating them and seizing millions of acres of land.

Following a series of landmark Treaty of Waitangi claims, which have still not run their course, millions of dollars was paid to newly-revived tribal entities and used to launch extensive business ventures. Accompanying this, a campaign was carried out to establish the treaty

as the country's "founding document". A host of laws, statutes and regulations were enacted to give effect to the suddenly-discovered treaty "obligations" covering the entire range of official life—law, education, business, health care, public services and the unions. A Maori "cultural renaissance" was promoted in tourism, media and the arts.

Far from resolving the social crisis confronting Maoris, the process widened the social gulf between rich and poor. "Bi-culturalism" and the Waitangi settlements has created a small but relatively wealthy and influential elite which boasts assets worth \$NZ5 billion. At the same time, Maori workers like the rest of their class brothers and sisters have suffered the consequences of two decades of economic restructuring that have produced high levels of unemployment and poverty and gutted public welfare, education and health services.

Recently, however, there have been increasing concerns in ruling circles that Maori ventures and the somewhat uncontrolled assertion of indigenous rights have become a fetter on New Zealand business as it struggles to compete on the world stage. The traditional tribal structures are viewed as incompatible with the operations of private enterprise and the market and special Maori rights and observances—particularly land rights—are increasingly regarded as an unnecessary burden.

While the Huata affair was dominating the press, the New Zealand-based filming of *The Last Samurai*, was briefly interrupted by demands from local Maori leaders that their tribal interests in the film's location required special consideration and financial compensation. Expressing mounting alarm that the country's film industry—recently boosted by the success of *The Lord of the Rings* films—was about to be undermined, ACT deputy leader Ken Shirley denounced the Maori claims as "extortion". Shirley complained that the practice was similar to those "usually found in corrupt, Third World societies."

More significantly, the current Labour government is also beginning to reverse the agenda begun by its predecessors by moving to cut off claims by the Maori elite to establish ownership rights over large areas of the country's foreshore and seabed. It has announced its intention to introduce legislation to ban any extension of indigenous rights over the inter-tidal zone, proclaiming the need to guarantee "open access and use for all New Zealanders".

The proposed legislation is in response to a decision by the Court of Appeal last year which found that the Maori Land Court could hear such claims. The issue arose after South Island tribes mounted a legal case to challenge the expanding and lucrative marine farming industry. The tribes claimed it was having a serious impact on their customary fishing rights as well as blocking their own ambitions in the aquaculture business. In moving to abruptly block such a case, Labour was responding to definite business interests which insist that the Maori compensation process has gone far enough and has to be brought to a close.

The place of the Huata scandal in these developments has a particular significance as it underscores the evolution of a layer of young Maoris who were radicalised in the late 1960s and 1970s. Huata first came to attention as a land-rights protester, before assuming prominence in the demonstrations against the 1981 South African rugby tour. But like other Maori leaders, Huata remained wedded to the limited and ultimately reactionary perspective of Maori politics and Maori self-determination—a process that was actively aided and abetted by the Stalinist Communist Party of New Zealand and various opportunist groups.

emerging layer of young Maoris were courted by various pseudo-socialists, who actively promoted identity politics and never challenged its reactionary class character. Huata was among the most strident in calling for Maori "sovereignty" or self-rule—thereby encouraging Maori workers to identify on the basis of race and tribal affiliation rather than class. Her writings became *de rigueur* among the "left" middle class radical milieu in New Zealand, with the feminist magazine *Broadsheet* among the first to publish her essays.

With the turn to "bi-culturalism" in the 1980s, these Maori leaders found themselves in demand. Far from being a fundamental challenge to the political establishment, the logic of "Maori self-determination" encouraged its proponents to carve out a special niche for themselves in business and politics—all in the name of assisting Maori people as a whole.

Huata herself was quickly tapped on the shoulder by the political and corporate elite and went further than most in openly expressing the inherently anti-working class character of all identity politics. By the late 1980s, she was advocating vicious attacks on workers—demanding that the already meagre minimum wage be slashed as a means of creating jobs and solving chronic Maori unemployment. When Labour's former finance minister Roger Douglas set up ACT to continue the market restructuring he oversaw in the 1980s, he had no hesitation in recruiting Huata and parading her as one of his party's most prized converts. Huata became an unabashed, well-heeled mouthpiece for—in her words—the "flowering of capitalism" and in 1996 was elected to parliament.

Huata's political troubles are a sharp indication that the political tide has changed. Having exploited the services of a small elite they themselves created, sections of the ruling class are seeking to, at the very least, temper the extent of Maori claims and influence. Some go considerably further. Opposition leader Don Brash, a former Reserve Bank Governor with close connections to big business, recently called for an end to "ethnic separatism" and "exclusive rights" for Maori, the closure of the "non-performing" Maori Affairs ministry and the abolition of the seven Maori electorate seats in parliament. It is probably no accident that ACT, which has ties to the same layers as Brash, has decided that their prized convert has now become something of an embarrassment.



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