

Submission to the Productivity Commission

“INQUIRY INTO ECONOMIC INCLUSION AND SOCIAL MOBILITY – A FAIR CHANCE FOR ALL.”

by Percy Harpham. January, 2022

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Preliminary Remarks

Some of the documentation establishing this enquiry has a depressingly familiar feel to it. At 89 years of age I have seen endless enquiries of a similar nature resulting in an academic report quantifying the problems in more detail. It has often seemed that this is preferred to actually considering possible solutions to problems which are very well known. So I take heart from your message of 22/12/21 stating clearly that you are required to “...develop recommendations for actions and system changes...”

As an old engineer, like all engineers, I have learned to deal with problems surrounded by uncertainty, to use what is known to model and trial where necessary and to make educated judgments about the areas of uncertainty so that working solutions can be brought into being and then improved. To start with a sketch plan or plans and then progress through detailed design and construction to a working product.

Another lesson is that there are many parts to any project and fitting them together is of critical importance. For example the Welfare Expert Advisory Group and the Taxation Working Group were essentially prohibited by their terms of reference from considering structural issues or the consequences of the intertwined nature of their subject matter. Yet the people who draw benefits also pay taxes and it is the net result that is of interest to them. It is necessary to know what kind of tax will be needed to pay for changed benefits and how large it must be before deciding on those issues.

I have been grateful for the encouragement over many years, by several Government Ministers, for the work that I have done with the assistance of many others. Then I have had to witness that work being ignored. So the first part of my submission stems from writing my book “Why are the Poor Poor?”. It included a chapter on Human Rights by Gail E. Duncan, highlights some structural problems and suggests some solutions. I enclose a copy of this book. Also, I attach a PDF copy of an enhanced version “Make it Happen”. I am making this publicly available free of charge and asking others to

distribute it to their networks. **I ask that it be treated as part of this submission and made available accordingly.**

The second part of my submission deals with my concern that we are precipitously creating a legal system which endorses and enforces racism.

Parts of “Make it Happen” which are most relevant to the enquiry.

The Table of Contents of this PDF version provides linkages so that it is easy to hunt and pick through the book. This contains a number of chapters of relevance to your inquiry. The Preface & Summary provide an overview of the book and should be read first.

Let me highlight for you some parts of immediate current interest.

1. In the first section the HIT abbreviation stands for Robin Hood Income Tax or Harpham Income Tax as you wish. This focuses on the fact that all tax exemptions are essentially gifts from Government to particular interest groups. Those who enjoy the exemptions would otherwise have to pay the tax. Strangely, exemptions are not described anywhere as “benefits” and are not specifically recorded in Government budgets or expenditure. It has been frequently remarked that a great deal more is spent on policing benefits than on those who enjoy exemptions.

The section headed “The HIT” shows that the stepped nature of our Personal Income Tax system results in those earning \$70,000/yr and above have exemptions totalling \$9080/yr while those with no income get nothing. But if everyone was taxed at 33% up to the new step at \$180,000/yr and paid \$9080/yr then over 80% of people would be better off and those above \$70,000/yr would be no worse off than at present.

It goes on to show that, because all those below \$70,000/yr are paying more than at present their net benefit varies from \$9080/yr to nothing depending on their income. Taken with the collection of GST and other taxes on the “new money” being issued by Government and other factors the system will be fiscally neutral at present. Later in the book larger “Basic Incomes” are explored together with an appropriate tax.

Note that the new rate of 39% starts at \$180,000/yr. This step will still have all the exemptions at the lower parts of the income. If such exemptions are retained then they will be a further \$10,800/yr of exemptions for such taxpayers. I had communicated my suggestion that the rates for higher incomes should increase by 1% at \$150,000/yr and another 1% every \$50,000/yr up to a rate of 60% or more and that they be levied on the whole income so that the steps are smaller at each change but go higher.

2. The second section “Two with One Stone” suggests releasing possibly 10,000 or more homes by allowing Superannuitants to capitalise the loss in superannuation by dropping from the single rate to the single sharing rate if they share a home for the release of the loneliness and anxieties of living alone.

3. Gail E Duncan’s work (Chapter 2) deals with some of the peculiarities in our current Welfare system which is based on the Victorian concept of the “deserving poor”. Those who then become the “undeserving poor” can include people who have a job or could

have a job if they could find one or have a working partner and so on. It may be that their only security is in a gang or illegal or undesirable activity.

Gail highlights the problem of a person (most likely a woman) who is in a relationship but loses their job. If there are children then the Working for Families benefit will transfer from them to their working partner and they will not be entitled to a benefit because they have a working partner. The potential for domestic disputes is clear. Maori women in particular are likely to be especially vulnerable.

4. Our Justice system (Chapter 9) does not serve the poor well. It clumsily uses the same system to adjudicate on criminal and civil matters. The chapter suggests alternative processes which could have widespread benefits including, in larger civil cases, the protagonists choosing their own arbitrator. This could then be a Maori, an Arab, Pakeha or religious person etc. The problem of ethnic or cultural bias or professional understanding can, potentially, be overcome to the satisfaction of the protagonists.

5. There is considerable discussion regarding the survival of democracy and the way our systems ensure that those who have the most continually get more. Apart from the structure of our Personal Income Tax system and other exemptions those who have shares or ownership in a company are greatly advantaged by having a 28% tax rate for company profits, being able to claim more in the way of expenses as well as GST refunds and propagating these advantages by giving imputation credits along with the dividends. The imputation credits can exceed the amount of income tax that would have been paid on the dividends. This system was designed to avoid "double taxation" on dividends. Yet the ordinary worker has their income (not profit) taxed and then pays GST which is not recoverable.

6. As can be seen from the Table of Contents there are other topics which should be of interest to the enquiry.

Treaty issues

The rising tide of racism being generated by the continuing "Treaty Industry" has been embraced by Labour, National and the Greens. Let me give you a personal view.

Ernie Darnell was an old man who was the closest thing to a Grandfather that I had as a child and until his death when I was about 17. His first job was in the surveying gang which had its pegs pulled out and a member slain by Maori from Parihaka in 1881. He also talked about the slaughter at Matawhero of 70 Pakeha and Maori in 1886 by the Hau Hau. Some of those were supposedly in Parihaka and had probably also been involved in the slaughter of the Moriori and many others. The clearance of the Maori settlement of Parihaka has been labelled as a "holocaust". There was ample warning and there were no casualties.

I think the following books are particularly important and in my experience, judgment and cross-checking I believe them to be meticulously accurate

1. The Musket Wars – a history of inter-iwi conflict 1806-45. This is a detailed account of the effect of the introduction of muskets which resulted in some one-third of Maori being killed by other Maori. This provides the background to their wish to have a sovereign to stop revenge wars (utu).

2. The Long White Cloud – This is a well balanced account by a Government Minister, first published in 1898, dealing with the country's governance up to that time.

3. Twisting the Treaty – A Tribal Grab for Wealth and Power by John Robinson and 5 others. It is a well documented, if sometimes emotive, account of how we have got to where we are now. The only comments that I have seen about this book are simple-minded abuse of the authors – prime examples of “playing the man and not the ball” instead of dealing with the facts.

4. He Puapua -Blueprint For Breaking Up New Zealand by John Robinson and published by Tross Publishing. This brings together many historical threads to provide a frightening picture of where we are going with Maori Mania. Every new move by Government demonstrates that Government is hell bent on having a racially divided nation. Try searching for the Three Waters Act which has now been passed. You will not find it. But search for Taumata Arowai Act and you will get a scrambled mixture of Te Reo and some suggested translations bit by bit. There is a large amount of marketing material about the supposed virtues of the new system but it is clear that this Act is being put into operation with all speed in spite of huge opposition. How such a mess can be dealt with in the Courts will only become clear after some years but the potential for division and bitterness along racial lines is clear.

And the use of Te Reo to conceal from most of the population, including me, from what is in the Act is frightening.

At 89, from personal observation, reading and discussion I can see that Maori have astutely used the need for political parties to gain their vote by focussing public attention only on the wrongs that they have suffered since 1840 and omitting mention of their own prior conflicts. I know of few memorials or notices about Maori/Maori conflicts. A simple manifestation of the result is the omission or demolishing of the Pakeha side of our history. I find it odd that non-Maori history is being removed instead of simply adding Maori history. A simple example is that an English General's name or monument can be discarded on the grounds that he had many people killed but that Te Raupraha should be lauded when he was responsible not only for killing thousands of other Maori as well as non-Maori up to 1842. This was in blatant breach of the Treaty which he had signed twice. Treaty breaches by both parties were common but perhaps the most egregious was the establishment of the King movement. And it still functions.

We are developing a racial division in our society by making legal differences between Maori and non-Maori.

Consider:

1. Maori seats in Parliament cannot be contested by Pakeha but Pakeha seats can be contested by Maori. Similarly some Council ward seats are restricted on a racial basis. These provisions negate democratic ideals.

2. The Waitangi Tribunal deals with Maori complaints and complainants are Government funded. Pakeha cannot complain. The cases go more than a century beyond the normal Statutory time limits but only for Maori. The results are very well publicised so that there is an unending stream of articles portraying the non-Maori of breaching the Treaty and being required to pay for it. The reverse is never the case.

3. No matter how hard I look at the various versions of the Treaty I can find not the slightest indication of "Principles". Principles seem to have been an invention of the Waitangi Tribunal and then embellished.

4. Similarly, I cannot imagine that Queen Victoria thought she was entering into a "partnership" with over 500 "savage" chiefs on the other side of the planet. What is more partnership, if it exists, would not provide for some to be more equal than others.

We are getting further and further down a dangerous track which I am afraid will end badly.

There are already so many things which are set up to divide us. Things like publicly owned assets being gifted as Treaty settlements, tax and rate exemptions, 54% of places for first-year medical students going to Maori and so on. New issues are emerging - will the Maori health services be open to Pakeha or will Maori be denied service from the Pakeha services etc. The recent problems with regard to Maori vaccinations against Covid raise the possibility that one aspect of the Maori health problems may be because Maori are somewhat biased against the health services rather than the other way about. This could be best dealt with by Maori themselves educating their compatriots on using the system rather than complaining about it.

The rule of law appears not to apply to Maori. The current Shelly Bay occupation is another where a purchase has been made in good faith from a legally responsible Maori group and approved by the local body but then members of the group obstruct the purchaser and prevent them from proceeding. Their only legitimate complaint is against the body that they elected to control their affairs.

And overarching such issues is the present proposal to have Maori form 50% of the "3 waters" ruling body. There are many others.

There is no legal definition about who is a Maori. I have 8 grandchildren. I say that I have 2 who are half Maori, 4 who are 1/64th and 2 Pakeha. I also have one great-grandson who is 1/4th Maori. Which are legally Maori? If I were to die intestate would Maori Tikanga or Pakeha law apply? Perhaps differently for different children.

In developing my books I have become acutely conscious that Maori are about 50% of the poor and that my suggestions would help them. I have also noted that many of the

Treaty settlements seem to have resulted in a wealthy hierarchy rather than benefits for the most needy.

Jacinda has enunciated a doctrine of kindness and inclusivity. Hobson is said to have said to each of the chiefs who signed at Waitangi "Now we are one people". I fear that we are heading in the opposite direction.

Productivity issues with language

I think it appropriate for an inquiry by the Productivity Commission to consider the impact of the massive investment in teaching Te Reo on productivity in its widest meaning both socially and materially. The implications spread beyond our national borders.

Before making my comments let me say that I am all in favour of people learning other languages. Indeed if you refer to my website (perce.harpham.nz) the first screen has links to my biography and to "The Story of Progeni". The latter may well be of interest as an example of the difficulties of starting a new industry in NZ. It also gives some history of our development of the Polly computer system. We made ordinary home video tape systems controllable by the Pollys accurately to the frame and then to display video clips onto the screen. We had made the Pollys handle Chinese characters as well as English. The picture in my biography of me signing a contract with the Beijing Institute of Aeronautics and Astronautics is for this system to be used for the teaching of English. It was very successful.

In the Progeni story I show some Poly computers which some PC staff may have had some contact with in their school days. I introduced them to the Kura Kaupapa movement. We ran courses for Kura Kaupapa teachers. We had the Maori lecturer from VUW choose and say the phrases to teach some Maori using the Polys. We got the Open Polytech to set up a group to develop a full course in association with the Wainui Marae. They objected to the Maori lecturer's pronunciation but had many good ideas. That all came apart when (I've forgotten his name) one of the Wainui Maori leaders thought it would be a great money-maker and fell out with the Open Poly about the division of the supposed profits. I still tried to push ahead and was told by one of the Maori Language Commission that I could never be involved because I was not a Maori. A computer course for teaching some Te Reo was delayed for some years.

One of my best friends at school was Vernon Poroa who lived on the Otumaetai marae. My daughter, Moyra, married Brian Williams - a Whakatohea from Gisborne, wonderful guy. They separated amicably after 20 years, put the interests of the kids first, remain friends and are each very much welcomed into each other's families. Especially now that their daughter has produced Ari and will shortly do it again. Pity they live in Aus.

I don't know anyone who thinks that Maori are not "here to stay" but some Maori want the rest of us all to go away. I am indigenous (according to the Oxford English dictionary) and believe that I too am tangata whenua as much as almost any living Maori. And the issues I am pushing are done in the belief that what is good for all will be good for Maori. I think

that is also a view of some Maori. When I stood for the Green Party a Maori man rang me from Wainui and wanted to know what the Green's would do for him. I pointed to the Treaty settlements but he said that whatever came from them would not benefit him. He explained that any result would go to his father and then to the eldest son. He was younger and would never see any benefit.

All this is by way of showing that I am all in favour of people learning Maori if they wish to do so and believe this should be facilitated. But the huge investments being made to force people to learn Maori for use in their work and to impose it on children are, in my view, not only just as wrong as the reverse in earlier times but hugely counter productive for the economy. There is so much else to learn and the time taken in trying to use Te Reo as well as Maori rituals interspersing work-time or school time could be better used. Any imperfect use of the language, such as the random introduction of the few words that one may know into either the spoken or written language can lead to misunderstanding.

I dread the thought of having some Te Reo introduced into a contract or in trying to communicate with someone in Australia, England, USA or other countries where English is used as a second language or has to be interpreted. Let us learn to use either English or Te Reo properly and completely as one or the other and restrict the use of a polyglot mess.

An impediment to the written use of Maori is that the advocates have chosen to use a macron in written work. This appears to have come about because one of the first Maori dictionaries was composed by a German who used them to denote a long vowel. Typing the macron in the modern age requires a special keyboard. The Singaporeans, Indonesians and Malaysians simply use double vowel letters. I have not tried using a search engine with a Maori word let alone with a macron.

The Dominion Post some months back had an editorial interspersed with macronned words and for some time afterwards they appeared many times in the paper itself as part of the DP's Te Reo crusade. They have now, fortunately, almost disappeared.

I would be happy to meet with any representative of the Commission.

I hope that your enquiry will make recommendations which are truly "A FAIR CHANCE FOR ALL".