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▶ 1 Attachment, 233 KB

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## **One Activity, Seven Items and One Entertainment in this Digest.**

**NOTE:** Because of the complexity of some formatting, which can be seriously scrambled in computer translation, this Digest is also attached below (or somewhere) as a pdf document. The PDF is almost certain to be the easiest to read, but the text below is easier to copy and paste.

### **Activities**

Activity 1: Buying a whole new suit.

### **Items**

- Item 1: "RMA Prosecutions an Absolute Disgrace" – Grant Lachlan.
- Item 2: Did my Ancestors Really Ignore the Foreshore and Harbours?
- Item 3: Last week's NBR Column – "Let's Have Some Smart City Thinking".
- Item 4: New Technologies – Mini-Cars and Mini-Nukes.
- Item 5: Don Brash's Speech on Productivity to the AUT.
- Item 6: "Signs of Life in the Housing Market", Gerald P. O'Driscoll.
- Item 7: Thomas Sowell Strikes Again.

### **Entertainment**

Entertainment 1: An Apollo Story.

### **Funding**

## **Activities**

### **Activity One: Time for a Whole New Suit.**

In these tough times we all have to change our plans.

I had hoped to sell a valuable section by now to fund the new house we want to build on this site. However, sponsorship of the Centre has dried up and demand for resource consents and similar advice is also well down. So we have little choice but to sell this house and office and rent until we sell the bare section and have the cash to build our new house on the other half of this 2.5 ha property..

I first have to subdivide this lot into two, so the house will not be formally on the market for a month or so, but we thought we could let our friends and colleagues know in case anyone is interested in having a sneak preview. There is a photo at my facebook page under the album "where we are now".

<http://www.facebook.com/photos.php?id=1011811548>

If you want more photos or information let me know. It would be nice to know our future 'neighbours-to-be' in advance.

## Items

### **Item One: RMA Prosecutions an Absolute Disgrace. (Grant McLachlan)**

The recession means many councils see their stream of funds from planning applications and development levies drying up by the day. So many local bureaucrats are looking for a new source of funds and an excuse to punish the farmers.

Councils seem to operate outside our normal constitutional conventions. They write their own planning regulations, monitor them in the field, collect the evidence of breaches, bring the charges, provide the witnesses and are then able to pocket 90% of any fines and collect compensation for their costs. Imagine if any other part of the justice system worked this way.

The Centre raised concerns about the use of RMA prosecutions as a revenue raising activity in an opinion piece published in Straight Furrow in September 2008 titled "The War on Dairy has Begun." ([Read the full essay here.](#))

And now lawyer Grant McLachlan has become more than disturbed – and expresses his outrage in an essay "RMA Prosecutions an Absolute Disgrace" on Facebook.

Mr McLachlan opens with:

*Can you think of any greater failure of a justice system than an innocent person pleading guilty to a vexatious charge for fear of losing their property to the government?*

*That is exactly what is happening in District Courts throughout the country on a weekly basis.*

*The culprit is your regional or local council and their weapon of choice is the Resource Management Act.*

*I get a weekly digest of all the RMA court decisions. Without fail the majority of cases are guilty pleas by farmers.*

*I work in an industry where people live in fear of councils who make up the law as they go, selectively enforce it, charge fees like a wounded bull and drag people through the gauntlet of the court system until they relent.*

*This 'hung, drawn and quartered' strategy is what happens when you combine the ever changing and entangling regulation of the Resource Management Act with the overloaded and expensive summary proceedings of the District Court.*

[Read the full essay here.](#)

### **Item Two: Did my ancestors really ignore the beaches and ocean?**

The recent Review of the Foreshore and Seabed Act has been widely reported on, and there is little point in traversing much of the ground covered by the Ministerial advisory panel. However, as a fifth generation New Zealander, (from a first landing in 1837) I probably took more notice than many of the report's commentary on the attitudes of the early settlers to the foreshore and seabed and in particular how these differed from the attitudes of the Maori

residents of the time.

The report says:

*More remarkable, in comparison with the Maori circumstance, was the attention given to the development of dry land. No doubt this was due to the English capacity to husband the much larger variety of animals and crops to which they had recourse. It was also probably due to a much longer history of access to building stone and minerals.*

*Accordingly, when Pakeha came to this country, they did so with a view to taking, apportioning and farming the land, and to holding it according to defined parcels in individual ownership. There was no comparable attempt to capture sea rights. The sea was simply a means of getting here and of then getting about.*

*This comparative disinterest (sic) in the seas, and in other water regimes such as rivers and lakes, is reflected in the construction of new towns. Several, like Lower Hutt, Palmerston North and Hamilton, were so built that one could walk the main street unaware of a major river nearby. Maori kainga, on the other hand, tended to be built around water regimes. For example, of the 32 marae in the Rotorua catchment the vast majority border lakes.*

*Similarly, the foreshores of harbour cities were lined with wharfs, warehouses and factories, generally serving land-based industries. It is only in recent decades that some cities have opened up wharf areas for the general public benefit and have developed extensive promenades or walkways along foreshores and riverbanks.*

The wording and tone is comparatively 'reasonable' but subsequent commentaries on radio and elsewhere made these same points with greater emphasis and even stridency.

But even the original wording reflects a strange interpretation of our history.

The early settlers came to a country with very few roads except those in the main centres and even they were essentially bullock tracks or cart tracks. Consequently, throughout the rural countryside early settlements were built around "water regimes" because the rivers and harbours were as much of a "motorway network" to the European settlers as they were to the canoe-based Maori transport system.

The waterways dominated most settlements until the massive road building programmes, first between the wars, and then, with even more vigour, in the years following World War 2.

The new roads – which generally ran along the ridges – became the new symbol of progress, and, as the Panel correctly observes, many towns and even cities turned their backs on the water to focus on the wonder of the highway and the speed and convenience of motorized road transport. Now that we are rediscovering our love of the water we are turning our attention back again. We are rediscovering a past that we had temporarily rejected.

Claims that the love of a water view is an invention of the modern real estate industry are nonsense.

This is well recorded in Jane Mander's books "The Story of a New Zealand River" and "Allan Adair." However, I was personally reminded of this dominance of the waterway when I wrote a study of the mangroves in Kaipara Harbour which can be [read at the Centre Web Page here](#).

In the course of preparing [Part D: Mangroves in the Kaipara Harbour – their Impact on Amenity Values and Heritage](#), I became acutely aware of the positive attitudes to the beaches and general foreshore environment.

For example, Hovey Brookes, in 1862 writes to his parents to tell them about the wonderful beaches on the Kaipara Harbour:

*The beach is excellent, it is as good as any sea beach, sandy and shelly, so white and fine a place for bathing. There are plenty of oysters on bits of rock about 50 yards out which we can get when the tide is out, also the cockles are very fine, as long as any I have seen in England and larger. A boat can just get up to the end of the creek, which is about half a mile wide at the mouth and at the top 2 yards wide. With a net 2 yards wide and one foot deep we could catch as many fish at once as would last a week.*

It is hard to believe that this Albertlander had no interest in the harbour both as a source of food and pleasure, and he continually compares this food source to the beaches of his native England.

The aerial photos of this beach and the river mouth and the shellfish beds are simply no more – all have been engulfed by invading mangroves. We tend to think of these people of Victorian times as a stuffy lot either working the land or sitting in their over furnished living rooms and living a genteel and dull life. Not so. Hovey Brookes appreciated the beach as a beach and not just as a source of food. The text is illustrated with a photo of a family picnic in 1925 showing the family enjoying New Zealand's life style.

The Hargreaves family who occupied the huge farm at Oneriri also enjoyed the new environment they had found on the Kaipara Harbour. Many family photos dating back to 1902 show the generations of Hargreaves enjoying picnics, horse riding and other recreational activities we associate with an accessible harbour edge.

The photo of Nga-Motu shows the site of the house built by one of Joseph Hargreave's sons on the Whakaki River. The sandspit which runs across the photo is still there. Even then, settlers chose sites near "the beach" and with a "water view". These early settlers from cities like Manchester and Nottingham clearly appreciated the coastal environment and waterways. The passion for a sea view is not a recent invention of the Real Estate Profession.

[To read the full chapter on these early settlements on the Kaipara Harbour go here.](#) Or here:

<http://www.rmastudies.org.nz/index.php/issues/311?task=view>

The Albertlanders used to practise "total baptism" at the beach near Minniesdale Cottage and so they too had a strong "spiritual" or religious connection with the water. What these early photographs and drawings reveal is the early settlers sharing the lifestyle of the local Maori and equally dependent on the harbour, rivers and streams as a source of food and means of transport and places of leisure and relaxation, and linkage with their Gods.

And remember, when I was searching these records and writing up this chapter I was not seeking to make these arguments. I was simply documenting the changes brought about over the last hundred and fifty years as mangroves have invaded the waterways of the Kaipara Harbour.

### **Item Three: Last NBR Column – Let's have Some Smart Thinking.**

Several commentators are arguing that New Zealanders must abandon our focus on agriculture and develop high technology industries if we want to climb higher in the OECD tables. Technically the evidence seems to be on their side. Generally, agricultural economies don't make it to the global rich list.

However, there is considerable evidence that the pot may be calling the kettle black.

The New Zealand rural sector is actually an early innovator and is currently taking up new technology faster than its urban counterparts. Agricultural shows are dominated by promotions of highly advanced communication and control systems, managing irrigation and fertilizer systems, and driverless farm machinery. Farm management and transport systems are rapidly taking up machine intelligence and benefiting from the combination of computing power, GPS and satellite/internet communications.

Our rural innovators are desperate for higher speed broadband to facilitate these sophisticated systems,

while many urban politicians remain convinced broadband is a plaything for teenagers. Urban transport planners steadfastly ignore the impact of broadband on telecommuting.

We certainly have to wonder about the level of urban technological savvy when the proposed solutions for virtually any transport problem looks to the past.

When has a promoter of Auckland's future as a Super City ever mentioned the role of an intelligent vehicle fleet in achieving that future? All they want to do is get motorists out of their cars and onto bicycles and trains. ([Read more here.](#))

#### **Item Four: Two New Technologies – Mini-Car and Mini-Nuke.**

Those who worry about carbon footprints and the like enthusiastically adopt proposals to modify where and how we live, and indeed to modify our behaviour in their own preferred image. They appear to be willing to destroy billions of dollars worth of existing urban infrastructure and buildings in order to re-shape "urban form". The curious logic of "sustainable urban form" would treat the rebuilding of London and Berlin after the bombing raids of World War II as an early round of "green jobs".

While the sustainability crowd claim to be concerned with future generations, and claim to have extraordinary powers enabling them to forecast events a hundred years or more in the future, they are reluctant to look over the nearest horizon to see what technologies are just around the corner. Many of these will have far more impact on energy use and congestion than "reshaping urban form", or coercing us into changing our preferences and behaviour, could ever have – and never mind the unexpected outcomes.

Anyhow, here are two new technologies that would seem likely to have more impact on transport emissions and energy emissions than anything else being talked about, and at a much reduced cost to the household.

##### **First – The One Litre per 100 Km VW.**

The first is the new single-seater, low-cost VW One Litre per 100km Volkswagen to be manufactured in China. A media release story from Canada opens with:

You can go to Shanghai for a vacation, buy two or more of these cars, one for your wife and one for yourself, and one for each of your kids, have them shipped to Canada and still spend less money than if you bought a car in Canada.

This is not a toy, not a concept car. It is a newly developed single seat car in highly aerodynamic tear-shape road-proven real car. It is ready to be launched as a single-seater for sale in Shanghai in 2010 for a mere RMB 4,000 (US\$600)!

To read the full story go to:

<http://quasi-superspooge.blogspot.com/2009/05/new-single-seat-vw.html>

Or for more technical info go to: <http://www.seriouswheels.com/cars/top-vw-1-liter-car.htm>

This version of VW's One Litre car takes two people sitting in tandem and could be more suitable for the western market.

The low cost of these vehicles leaves plenty of room for the cost of super "Smart Car Auto-Intelligence". (See NBR column above.)

##### **Second – The 'Hot-Tub' Nuclear Reactor.**

The second item is a little more expensive but just as economically efficient. Every time someone mentions nuclear power as the obvious way to supply 'carbon-free' electricity, someone, still living in the

dark ages (or wanting to) comes up with the once-correct observation that a cost effective nuclear power station is simply too large for the New Zealand market. That used to be true but the pebble-bed reactors have long challenged that presumption and this new generation should bury it completely.

These Hyperion nuclear plants could be delivered to your site on a truck where they would sit happily buried underground for several years until they are taken back for refueling. They may not be on your supermarket shelf or on Trademe just yet, but they appear to be only five or six years away from mass production and deserve a place in our strategic thinking.

Go to: <http://www.hyperionpowergeneration.com/>

Or for a picture of a group of these [“Hot-tub sized” reactors go here:](#)

Each reactor costs only US\$5m and supplies 20,000 households. That is a capital cost of only US\$250 per household. The cost of power could be only US\$0.10 cents/unit and the cost of transmission would be negligible because this is truly “distributed generation”.

**Note:** I thought this might be a scam but it appears to check out with the experts. The question is whether it can survive regulatory panics. It may well be that the US misses out while smaller, less regulated economies reap the benefit.

### **Item Five: Don Brash’s speech on Productivity to the AUT.**

First, Don Brash, Chairman of the Centre for Resource Management Studies Trust, now has his own web page, which you can read here. <http://www.donbrash.com>

After you have enjoyed the photo gallery we strongly recommend Don’s speech to the Auckland University of Technology (AUT) [New Zealand’s Economic Outlook – can we ever catch Australia?](#)

This is a lively speech which demolishes many of the excuses and myths which often arise in answer to this question. Take this for starters:

But New Zealand also has an abundance of natural resources: a report circulated by the World Bank some years ago ranked New Zealand second in the world (behind only Saudi Arabia, and well ahead of Australia) in terms of natural wealth per capita, partly no doubt because of the quality of our farmland. We have more natural gas than we thought we had just three or four years ago, and a considerable geothermal resource. We know we have substantial quantities of coal and iron sands, even though very large parts of the country have been locked up in the conservation estate, and never properly explored. We have one of the largest salt-water fisheries in the world; and we have a large amount of fresh water which, if properly used, can be an enormously valuable asset. Moreover, the entire Australian mining industry contributes only about 5% towards Australian GDP, and employs not much more than 1% of the workforce.

There is much more where that came from. Read and enjoy!

### **Item Six: Signs of Life in the Housing Market.**

**The good news is that government efforts to prop up prices didn’t do much.**

By [GERALD P. O’DRISCOLL JR.](#)

*The economic crisis began with a housing downturn that spread to housing finance, and then to the entire economy in the form of a deep recession. Stability in the financial sector and growth in the economy will not resume until there is recovery in housing. But what will constitute a recovery in housing?*

*While the news this week about an ‘up-tick’ in home prices and sales in some markets is*

*encouraging, those anticipating a return to pre-bubble price levels will find the wait to be a long one. In some markets it might not happen for a decade or more. Other markets may never return to pre-crisis prices—certainly not when adjusted for inflation.*

*Unfortunately, many public policy proposals have been aimed at propping up home prices, or at least cushioning their fall. Nothing could be more counterproductive.*

*The housing downturn was a classic bursting of an asset bubble. The suddenness of the collapse was frightening and, for a time, prices seemed to be in a free-fall, especially in overheated areas in Arizona, California, Florida and Nevada. But the cure for falling prices in the aftermath of a speculative bubble is, paradoxically, to allow them to fall.*

*In housing, as with other assets, falling prices clear markets. They do so by making homes more affordable. During the bubble, homes had become out of reach for many people. In some areas—such as the San Francisco Bay area—households with a median income could not afford a median-priced home. This locked first-time buyers out of the market and made existing homes the currency for purchasing another home. To get around this, creative financing (such as “liar loans”) sprang up to enable some to acquire a substitute currency. We know where that led—defaults and bankruptcies. ([Read the whole essay here.](#))*

## **Item 7: Thomas Sowell Strikes Again.**

### **Driscoll’s timely essay concludes:**

*For all the talk of the failure of markets, what is actually working is markets. What failed were government policies of cheap credit and attempting to make housing affordable by stimulating demand. As amply demonstrated by Thomas Sowell in his new book, “The Housing Boom and Bust,” land-use restrictions and “smart growth” (read no-growth) policies are the culprit for the lack of affordable housing. Stimulating demand through cheap credit only fuels unsustainable price bubbles. The way to avoid a future housing bust is to stay away from demand-stimulating and supply-restricting housing policies. Meanwhile, keep letting markets work.*

Read a summary of [Thomas Sowell’s excellent book here](#), and read some of [the reviews at the Amazon site here](#).

## **Entertainment: The real Apollo words.**

When Apollo 11 astronaut Neil Armstrong first walked on the moon, he not only gave his famous “one small step for man, one giant leap for mankind” statement but followed it by other comments between him, the other astronauts and Mission Control. Just before he re-entered the lander, however, he made the enigmatic remark “Good luck, Mr Gorsky.” Many people at NASA thought it was a casual remark concerning some rival Soviet cosmonaut. However, upon checking, there was no Gorsky in either the Russian or American space programmes. Over the years many people questioned Armstrong as to what the “Good luck, Mr Gorsky” statement meant, but Armstrong always just smiled. Then, on July 5 in Tampa Bay, Florida, while Armstrong was answering questions following a speech, a reporter brought up the 26-year-old question. This time, as Mr Gorsky had finally died, Armstrong felt he could answer the question. He explained that when he was a kid, he was playing baseball with a friend in the backyard. His friend hit a fly ball, which landed in the front of this neighbour’s bedroom windows. His neighbours were Mr and Mrs Gorsky. As he leaned down to pick up the ball, young Armstrong heard Mrs Gorsky shouting at Mr Gorsky. “Oral sex! You want oral sex? You’ll get oral sex when the kid next door walks on the moon!”

## **Funding.**

The Centre has many more issues to address over the next several weeks. In particular we are seeking

support for major ongoing investigation into the causes of New Zealand's low rate of productivity and a better way to finance our local government infrastructure. The next Digests will focus on our Kyoto Protocol targets and the associated policies.

Remember, even a dollar helps.



[DONATION08R.doc \(233 KB\)](#)

## **PDF Version of this Digest.**

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