

Restructuring and sale of NZ's State forests

BOOK REVIEWS

Out of the Woods – The restructuring and sale of New Zealand's State Forests. Reg. J. Birchfield and Ian F. Grant. G.P. Publications 1993 pp 250. \$34.95.

By the 1940s and 50s the exotic plantation forests of New Zealand and the industry based on them were clearly successful. The wood being produced filled the void created by the clearing of the native timber-bearing forest. Moreover, wood surplus to local requirements was going into substantial export-oriented industry.

Although the palmy days of pumice-land afforestation were nearing an end, planting land was still available around the margins of agriculture. Governments therefore planned the 'second planting boom' which began in earnest in the 1970s. The boom plantations were nearing the time for making large sales on a sustained yield basis, as had been planned, when the 1984 Labour Government came to power. It was saddled with a difficult fiscal situation. One method of extricating the country from this was by the sale of State Owned Assets including productive State forests.

Then came a five-to-six-year whirlwind of changes, starting with the disestablishment of the Forest Service, the setting up of a Forestry Corporation to take over yielding State forests and then the partial sale of cutting rights in these forests before the Corporation even became operative.

Out of the Woods describes these and other related events. They are conveniently summarised in a schedule. The writers had access to all relevant documents including Cabinet papers. The book is a factually correct record of momentous events which changed the face of forestry in New Zealand virtually overnight, including some important, long-term planning of previous Governments. It deals with the people involved and their negotiations, but makes almost no reference to trees and forests, matters of which the changes were all about. Future historians will have a lively time relating the cataclysmic events to a century of previous forestry development and then sudden world changes in wood values and log availability which followed almost immediately after the period. These changes had been predicted but were ignored. They

somersaulted the whole scene yet again.

Clarity of the book is achieved by recording events, largely in sequence, chapter by chapter.

The original concept was to replace a "bloated state bureaucracy" with a "profit driven trading corporation". The bureaucracy "had never generated an operating surplus for their owners, the nation's taxpayers". A result of strict adherence to keeping to the period is that no mention is made of Government's low stumpages throughout virtually the whole 68 years the Service was in existence. Governments, without exception, insisted on this because they were busy liquidating the God-given forest for Homo's agriculture. When the time came to sell the first large lot of exotic wood in Kaingaroa forest they also bungled that sale, as we know only too well from the recent arbitration hearings concerning stumpages.

There are several other biased shifts aimed at the Service which forest historians will surely 'have a go at'.

A chapter, 'An Unlikely Alliance', deals with the guerilla warfare that the conservation lobby had, for some years, been conducting against the Service over the felling of native forest. The Service was the easy target because it had to conduct and supervise the sales of forest but under policies laid down, and unerringly followed by all Governments, when the Service was formed in 1919.

By 1984 conservationists had accumulated much public sympathy – and votes. The end of native timber resources had nearly been reached. The Labour Party astutely summed up the situation and 'bought' the 'greenie' votes by promising to end logging if elected government. The deal was clinched largely through an outrageously stacked environmental forum called by the Government.

During the warfare one of the implacable enemies of the Service accused it of "evading accountability, underperformed economically and not fulfilled its environmental obligations"; one of the many snide remarks he had been dropping for the last ten years; J.T. Holloway would be turning in his grave about the lack of 'environmental obligations'.

'Battling the Bureaucrats', 'The Outfoxing of the P.S.A.' and 'Private Sector Pressure and Ploys' are chapters dealing with objections, coming from various

directions, to the violent changes. 'The Treasury Dimension' records the bitter struggle that was fought over valuation of the forest to be transferred to the Corporation. All this bitterness meant nothing because the cutting rights were sold and the exercise was totally misleading when, shortly after, wood prices moved upwards violently.

Finally, privatisation was authorised under a Crown Forest Assets Bill which received its first reading in July 1989 and was **never referred to a select committee**. Maori claims to land and the existence of long-term sales of wood led to a turnaround to selling cutting rights.

A sales 'Roller Coaster' – one of the closing chapters – dubbed by Prebble 'The sale of the century', then took place. Buyers were waiting in the wings because of the impending world rise in wood prices and the world shortage of logs. The process not only robbed the country of huge amounts of money; it changed completely the long-term planning of previous Governments.

Foresters created the asset. When the time arrived to carry out the most difficult but vital task in forestry – to sell forest produce so as to achieve and safeguard sustained yields, and earn the maximum money for the owner (the taxpayer in this case) while at the same time judging that the industries based on the sales are sound and long-term – the short-term politicians and industrialists stepped in. They had a resource. They made it clear that, as far as forestry is concerned, New Zealand has not progressed far beyond the stage of short-term manipulation of assets.

Message

It is time to remind ourselves of Dr Peter Tapsell's message to the 13th Commonwealth Forestry Conference meeting in Rotorua at the end of this revolutionary period – he was then Minister of Forests: "We need a Forest Act based on a philosophy of trees ... we move from one extreme to another. We lack balance".

To find out what the Minister of Forests meant read Out of the Woods.

We need a Royal Commission on Forestry to pick up the pieces.

A.L. Poole